

Twenty Five Years of Indian Independence



An Indian Oxygen Publication



OXFORD & IBH PUBLISHING CO.
Calcutta * New Delhi * Bombay

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A C K N O W L E D G E M E N T S

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Transfer of Power—1947.

Pandit Jawaharlal Nehru with National Flag at Red Fort on 15 August 1947.





FOREWORD

When India became independent 25 years ago the outlook was hardly encouraging. The transfer of power took place in a background of communal tension and violence as a result of which nearly half a million lives were lost and many times that number were uprooted from their homes and hearths. Within a few months of the transfer of power India was faced with a war with its neighbour Pakistan. The partition of the former undivided India created serious problems for the new Indian Government. Besides these problems the integration of the country was beset with serious difficulties in view of the existence of a large number of Princely States which, consequent on the transfer of power, theoretically became independent. Covering nearly forty-five per cent of the territory of pre-partitioned India and about four per cent of the population they represented numerous little islands within the country. The task of integrating these islands into the body politic of India was a stupendous one.

With an agriculture that was based on the most primitive methods of cultivation and an industry that was mainly confined to textiles, plantations, mining and some light engineering workshops the economic prospects did not appear very bright either. The vast population of the country which was rapidly multiplying and which was in the main illiterate further complicated the task of economic development and improvement of living standards for the mass of the people.

Starting off with such odds India has, during the last 25 years, undergone a notable transformation and has to her credit remarkable achievements in the political, economic and social fields. India has developed political institutions which are democratic in character and which have given the country a stable political framework in which to carry on the struggle for economic development. Unlike many countries in Asia and Africa which have recently won independence but which have drifted towards forms of Governments based on military dictatorship, Indian political institutions have survived the strains and stresses of the post-Independence era. India has evolved a foreign policy which in the course of time has become a model for all developing countries and which has given the country a stature in world affairs which would not have been warranted merely by the economic or military strength of the country. In agriculture, a remarkable technological breakthrough has been achieved which has doubled foodgrain production in the country during the last 25 years. In the sixties

gloomy forecasts of famine and food riots overtaking India in the seventies were being made. The present day reality is that India has virtually achieved sufficiency in food and is looking forward to exporting cereals in the next few years. In the sphere of industry a base for heavy industry has been established and today India has the capacity not only to manufacture machinery and entire plant for a number of industries but also to plan and design them with indigenous skills and know-how. By all standards this is a remarkable record of progress and achievement. Nevertheless, in terms of the needs and requirements of a population of nearly 550 million which is growing at the rate of 2.5 per cent per annum there is reason to feel dissatisfied that the growth has actually not been faster and that we are still a long way off from being free of the scourges of poverty and unemployment.

The story of the transformation that has taken place in India and the drama of development that is going on has lessons not only for the people of India but for all developing countries in the world. On the occasion of the Silver Jubilee of Indian Independence we, as a Company, felt that one of the ways in which we could pay our tribute to the people and to the leaders of this great country was by sponsoring a publication recording the main landmarks in the post-Independence history of the country.

It is in this spirit that this publication is being presented to the people of India. It is an objective record of some of the main developments that have taken place in the economic, political and social spheres. It does not purport to be a history in the proper sense of the term nor is it a mere catalogue of events. An attempt has been made to place the whole period in perspective so that a balanced view of our progress may be possible. While the achievements have been highlighted, lags and shortcomings have also been noted so that on the occasion of the Silver Jubilee of Indian Independence the people of India can take the pledge to complete the unfinished tasks as early as possible. Pride in our past should inspire the people with confidence and act as a spur helping them to overcome the obstacles that are blocking the path of further progress and preventing India from joining the ranks of the developed countries of the world.

The text of this publication has been prepared by a team of writers and researchers who have worked under the overall guidance of the Public Relations Department of Indian Oxygen Limited. While every care has been taken to make this study as objective as possible the presentation is that of the authors and does not necessarily represent the views of the Company.

6 July 1972.



K. Hartley
Managing Director
Indian Oxygen Limited.

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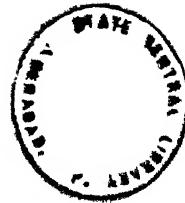
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PART I

THE POLITICAL SCENE

Chapter I



THE TRANSFER OF POWER

As the clock struck twelve on the midnight of 14/15 August 1947 conch shells were blown and cries of "Mahatma Gandhi Ki Jai" and "Jai Hind" rent the air. After nearly two hundred years of alien rule India had become free.

The millions all over the country who kept vigil throughout the night and danced in the streets to express their joy at the coming of freedom could not, however, forget the tragic events of preceding months—the communal riots in Calcutta, Noakhali, Bihar and Bombay which had taken a toll of so many lives and uprooted many more from their homes and hearths.

To understand this peculiar combination of sorrow and rejoicing that accompanied the dawn of independence in this country one needs to go back a little to the events that provided the backdrop to the transfer of power in August 1947.

Pressure for the grant of independence to India had been mounting within the country and abroad for many years. The Second World War gave a tremendous fillip to the demand of the Indian people. The allied powers had fought and won the war with the declared objective of destroying fascism and preserving freedom and democracy in the world. What could be more natural than that the people of the colonies and dependent countries should say : What is sauce for the goose is sauce for the gander. If freedom and democracy are essential for the people of Europe they are equally necessary for the peoples of Asia and Africa.

By the time the Second World War ended the people of India were not only saying this more loudly and openly than ever before, they were showing signs of restlessness and a determination to achieve their goals —no matter what the odds. The urge for freedom had become so infectious that it spread to the armed forces, the naval ratings and the air force personnel.

The politicalisation of the armed forces began during the war itself when Indian prisoners of war formed the Indian National Army (I.N.A)

under the leadership of Mr. Subhas Chandra Bose now popularly known in India as Netaji. The hoisting of the flag of independence in S.E. Asia and the active participation of the Army formed by the Azad Hind movement had its impact on the armed forces within the country still under British command. The trial of three officers of Netaji's INA by the British Government which began towards the end of 1945 only helped to inflame the feelings of the Indian people and to create further discontent in the armed forces. The strike of the naval ratings in February 1946 in Bombay was a straw in the wind—a warning that the British Government could no longer count on the loyalty of the armed forces in India.

The first general election in Britain after the end of the war saw the victory of the Labour Party which had been from the beginning more sympathetic to the Indian demand for independence. Mr. Clement Attlee, who assumed office as Prime Minister of England, in a broadcast from London on September 19, 1945 made it clear that the British Government was thinking in terms of handing over power to Indians. The problem of handing over power, however, was not simple. While the Congress Party undoubtedly represented the majority of the people and should have been the obvious choice for taking over power, the Muslim League under Mr. Jinnah's leadership had succeeded in mobilising the majority of the Muslims in the country behind the demand for Pakistan. This was strikingly demonstrated in the general election that took place in early 1946 in which, while the Congress got almost all the general seats, the Muslim League succeeded in getting the overwhelming majority of the Muslim seats. It was clear, therefore, that the process of handing over power would not be smooth-sailing.

Mr. Attlee despatched a Cabinet Mission in March 1946 to negotiate with Indian leaders the modalities of the transfer of power. The plan brought by the Mission broadly conceived the constitutional structure of independent India as being a single federal state embracing the various provinces of British India as well as the Princely States with the Central Government having responsibilities for foreign affairs, defence and communications and the powers to raise the finance required for fulfilling these responsibilities. It provided that any major communal issue would require for decision a majority of the representatives of each of the two major communities as well as a majority of all the members voting. Subjects other than those belonging to the sphere of the Central Government would be vested in the provinces and the States. There was provision for provinces to group themselves together if they so desired. The Constitution was to be drawn up by a Constituent Assembly.

Lord Wavell who was then the Governor General of India organised a conference in Simla in which representatives of the Congress and the

League were present and discussions were held with the members of the British Cabinet Mission. The conference was unable to come to any conclusion as the plan proved acceptable neither to the Congress nor to the League. Thereupon the Cabinet Mission put forward its own proposals which suggested the formation of an Interim Government at the centre and the setting up of a Constituent Assembly. But here again on the issue of composition of the Interim Government there was a deadlock—the Congress insisting that it should have a free hand to appoint a Muslim while the League opposed the idea. As Lord Wavell indicated his support to the League viewpoint about representation of Muslims in the Interim Government the Congress turned down the scheme for an Interim Government but indicated its willingness to participate in the Constituent Assembly.

When the elections to the Constituent Assembly finally took place—the existing Provincial Assemblies elected on a limited franchise constituted the electorate—the Congress won all the general seats except nine while the League secured almost all the Muslim seats barring five.

Failing to secure Congress-League agreement on the issue of joining the Interim Government Lord Wavell installed on 22 September 1946 a Congress Government at the Centre headed by Mr. Jawaharlal Nehru who was then the Congress President. The other members of the Cabinet were Sardar Patel, Dr. Rajendra Prasad, Mr. C. Rajagopalachari, Mr. Asaf Ali, Mr. Sarat Chandra Bose, Mr. John Mathai, Mr. Baldev Singh, Mr. Shafeat Ahmed Khan, Mr. Jagjivan Ram, Mr. Ali Zaheer and Mr. C. H. Bhabha. Later, however, as a result of talks held directly between Lord Wavell and Mr. Jinnah, the League agreed to join the Interim Government. The reconstituted Cabinet assumed office on 26 November.

Meanwhile the observance of Direct Action Day by the Muslim League on 16 August 1946 had sparked off serious riots in Calcutta which soon had their repercussions elsewhere in India. To resolve the deadlock that had been reached in the negotiations with regard to transfer of power, the Government in Whitehall decided to bring in Lord Mountbatten as Viceroy. Lord Mountbatten assumed office on 24 March 1947. Indian leaders by this time were getting reconciled to the idea of Pakistan. The continuing riots and massacre in various parts of India particularly the Noakhali riots of October 1946 which led to a chain reaction in Bihar and other places made them feel that partition would be preferable to a continuation of the impasse.

Finally Lord Mountbatten came out with his plan—a plan which was based on the partition of India. The plan provided that every

province in India would have the right to decide whether their Constitution was to be framed by the existing Constituent Assembly or by a different constitution making body. The Punjab and Bengal Assemblies were to decide as to whether the provinces would be partitioned on a communal basis. The future of the North West Frontier Province (NWFP) was to be decided by a referendum. Provisional Governments were formed in India and Pakistan on 20 July 1947 and they took up the task of partitioning the services and financial assets and demarcating boundaries. By 14 August 1947 these tasks had been performed and the stage was set for the transfer of power. Thereafter the Dominion of India constituted all those provinces of the former British India which had not decided to join Pakistan. Under the proposals made by the British Parliament the Indian States were given the option to decide which of the two countries they would join or whether they should remain independent. The provinces which went out of India were the Eastern part of Bengal to which was added at a later date a part of the Sylhet district of Assam, and in the West, the Western part of Punjab together with NWFP, Sind and Baluchistan.

With the transfer of power the Legislative Assembly was automatically dissolved and the Constituent Assembly came into being with the dual function of framing the Constitution and acting as the sovereign legislative body. Thereafter, it continued to function until the General Elections were held in March 1952. Meanwhile two major problems came up before the new Indian Government. One was the question of the merger of the Princely States and their accession to India and the other was the problem of Kashmir against which Pakistan launched an attack in October 1947.

The British Government's statement of 3 June 1947 which superseded the Cabinet Mission's plan of 16 May 1946 contained the following reference to the States: "His Majesty's Government wish to make it clear that the decisions announced above relate only to the British India and their policies towards Indian States contained in the Cabinet Mission's memorandum of 12 May 1946 remain unchanged."

Till the lapse of paramountcy the Crown provided the nexus between the Indian States and British India. The pivot of this arrangement was the Viceroy, who as Crown representative, represented to the Indian States the suzerainty of the British Crown while at the same time he was in relation to British India the head of the Government as Governor General. The Indian Independence Act, 1947 released the States from all their obligations to the Crown. It was evident that if any of the Indian States became separate independent entities there would be a serious vacuum not only with regard to the

political relationship between the Central Government and the States but also in respect of the co-ordination of all-India policies in the economic and other fields.

It was against this background that the Government of India decided to set up a department to conduct their relations with the States in matters of common concern. How stupendous a task this was can be guessed from the fact that the Princely States covered nearly 45 per cent of the territory of pre-partitioned India and about 24 per cent of the population. Running into several hundred in number they were of varying sizes ranging from Hyderabad with a population of 14 million and an annual income of Rs. 85 million, to the State of Bilbari, a tiny speck too small for the map, having a population of 27 and an annual income of Rs. 80. Crisscrossed throughout the vast country they represented little islands many of which had their own police force, their own army, their own currency, their own tariff barriers. Failure to integrate these islands into the body politic of India would have rendered any Indian Government completely ineffective.

On the day the States Department came into being, 5 July 1947, Sardar Patel, member for the States Department, in the Interim Government, issued an important statement defining the policy of the Government of India and inviting the States to accede to the Dominion in matters of Defence, Foreign Affairs and Communications in which the common interests of the country were involved. He assured the States that it would not be the policy of the States Department to conduct the relations with the States in any manner which savoured of the domination of one over the other. Sardar Patel expressed the hope that the Indian States would bear in mind that the alternative to co-operation in the general interest was anarchy and chaos.

The position, as it stood when the States Department came into existence, was that the Political Department had already sent to the Rulers a draft Standstill Agreement and it was proposed to call a conference of Rulers to finalise the Agreement. But having regard to the paramount necessity of the establishment of a constitutional relationship, however tenuous, between the States and the Dominion, the Government of India felt that a Standstill Agreement would not provide any kind of answer to the problem that confronted them at the time. It was, therefore, decided that the States Department, and not the Political Department, should take charge of the negotiations with the Rulers and that the accession of the States on the three essential subjects of Defence, External Affairs and Communications should be included in the agenda of the proposed Conference.

The task of conducting negotiations with the Princes was entrusted by the Government of India to Lord Mountbatten, who was then the

Crown Representative. Lord Mountbatten called a special meeting of the Chamber of Princes on 25 July 1947, in the course of his address Lord Mountbatten advised the Rulers to accede to the appropriate Dominion in regard to the three subjects of Defence, External Affairs and Communications, and assured them that their accession on these subjects would involve no financial liability and that in other matters there would be no encroachment on their internal sovereignty. At the end of the meeting he announced the personnel of the Negotiating Committee which had been set up to negotiate on behalf of the States the terms of their accession to the Dominion of India.

When one looked back upon the barren course of the protracted infructuous negotiations in connection with the scheme embodied in the Act of 1935 it seemed an impossible task to finalise the accession of the States within a reasonable period, particularly when there was no sanction of paramountcy behind the negotiations. It is worth quoting the Sapru Committee in this connection : "The experience of the negotiations which Lord Linlithgow inaugurated and conducted between 1936 and 1939 do not encourage the hope that these consultations and investigations can be successfully concluded except with the exercise of infinite patience and after the lapse of several years. To hang up the Federal Union of such units as are willing to federate until some State, or a minimum number of States, or the last hesitant State has agreed to accede would be a policy which is calculated to postpone indefinitely the elimination of foreign rule and the achievement of full self-government".

The impending transfer of full power to a National Government having the will and the sanction of the Indian people behind it, the personal contact between the leaders of public opinion in India and the Rulers of States, rendered possible by the withdrawal of the Paramount Power's previous policy of political isolation of States and the patriotic lead given by some of the leading Princes enabled the Rulers of States to appreciate that it was both in the interest of Indian States and of the country that the States should become actively associated with the Dominion Government instead of holding a watching brief as it were in the deliberations of the Constituent Assembly. With their valuable assistance and co-operation and the helpful efforts of Lord Mountbatten, negotiations were concluded in a week's time and, barring Hyderabad, Kashmir and Junagadh, all the States in the geographical limits of India had acceded to the Indian Dominion by 15 August 1947.

The accession of the States would not have been an easy affair if it had depended entirely on the will of the Rulers of the various States. Most of these States were under the direct and personal control of these Rulers. It was a system of personal autocracy under which the Ruler was

virtually the State. However, under the impact of the national movement in India led by the Indian National Congress, popular movements had grown up in the various States. In many cases these movements had become extremely powerful and the Rulers of the States realised fully well that in the absence of the authority of the British Crown to protect their interests the popular movements of the States would sweep them away if they did not come to terms with the new Government of India. The accession of Hyderabad, Kashmir and Junagadh, however, forms a story by itself.

Shortly after the transfer of power the Nawab of Junagadh left the State for Pakistan and the Government of India took over the administration of the State at the request of the Nawab's Council. The action taken by the Government of India met with the fullest approval of the people of Junagadh as was shown by the results of the referendum held in Junagadh and the adjoining smaller States in February 1948 which revealed that the opinion in favour of accession to India was virtually unanimous.

The State of Jammu & Kashmir acceded to India on October 26, 1947 under circumstances which have been described a little later. The Instrument of Accession executed by the Ruler of the State is the same as that of the Instrument executed by the Rulers of other existing States. A number of special provisions were, however, made in the Constitution having regard to the special problems of this State and the special circumstances under which the accession took place. These provisions have been embodied in Article 370 of the Constitution of India.

Hyderabad posed an even more difficult problem. Encouraged, probably by Pakistan, the Nizam of Hyderabad refused to accede to India. There were also reports that he was indulging in intrigues of various sorts against India. Meanwhile a strong popular movement had grown up in the State and the writ of the Ruler had ceased to run in large parts of his territory. Under these circumstances the Government of India was compelled to take police action. Indian troops marched into Hyderabad State on 13 September and the Nizam surrendered on 17 September 1948. This removed the last obstacle in the way of the integration of India and the danger of pockets of foreign territory continuing in the heart of India and acting as centres of intrigue and espionage was thus finally overcome.

Within a few months after the transfer of power it became clear that Pakistan was making a desperate bid to seize some of the Indian States in particular Kashmir and Hyderabad. The Ruler of Kashmir asked for a Standstill Agreement both with India and Pakistan, pending a decision of accession. Pakistan concluded an agreement in regard to communi-

cations, supplies and posts and telegraph arrangements which had always been interlinked with British India. Despite this agreement, Pakistan cut off communications and supplies to the State of Jammu and Kashmir in order to pressurise the Ruler to accede to Pakistan. The Ruler appealed to Pakistan to end the restrictions. Pakistan's reply was an invasion of the State, disguised initially as a raid by tribesmen. Subsequently it became clear that the armed tribals were in fact part of the regular Pakistan army and the tribals were being used merely as a camouflage to conceal the fact of fullfledged Pakistani invasion of Kashmir. The State's forces were too weak to cope with the invasion and to protect the people against the depredations of the raiders the Ruler made an urgent request to the Government of India to accept accession and provide help against the invaders. A similar appeal was made to the Government of India by Kashmir's premier popular organisation, the National Conference, which was closely allied with the Indian National Congress in the fight for national freedom and democracy. Ultimately the matter was referred to the Security Council of the United Nations Organisation (UNO). Under the auspices of the UN a cease fire was drawn up and United Nation's observers were posted to prevent violations of the line. The situation created as a result of the Pakistani occupation of a part of Kashmir still remains unresolved. Meanwhile the people of the rest of Kashmir are participating along with their fellow countrymen in India in the democratic and other processes at work in the country.

The Instrument of Accession executed by the Rulers and the Stand-still Agreement into which they entered ensured the unity of the country. At the same time it meant that except for the three subjects of defence, foreign relations and communications the *status quo* would continue. Thus accession did not automatically lead to integration. The process of integration involved the amalgamation of the smaller units and their merger into the States that emerged under the new Constitution. The complete integration of the Princely States into the Indian Union was a prolonged process and took place only gradually. While the bulk of the task had been completed by 1950, problems continued here and there and it was only as late as 1971 after the Parliament amended the Constitution to enable the Government to end the rights and privileges of the Princes that the chapter relating to the former Princely States can be said to have ended.

Another major event that came shortly after Independence was the assassination of Mahatma Gandhi. On Independence Day, 15 August 1947, Mahatma Gandhi had been in Calcutta where he had gone to restore peace and communal harmony after the riots that had taken place. He remained there till September and resorted to a fast which had the desired effect of restoring peace and Mahatma Gandhi now felt

impelled to go to Delhi where the danger of communal disturbance seemed to be increasing. He was staying at Birla House and holding regular prayer meetings every evening. At one of these prayer meetings on 30 January 1948, he was shot and killed by a Hindu fanatic. The death of Mahatma Gandhi marked the end of an era and had the most profound consequences on the political life of the country. But although dead, his ideals and teachings remain alive and continue to inspire millions of Indians—in fact millions of people throughout the world.

One of the major preoccupations of the country immediately after Independence was the framing of the Constitution. It was not an easy thing to draft a Constitution because India as a country, was unique in many respects. And while the leaders could profit from models and examples from some part of the world the problems faced by India did not have parallels elsewhere and so solutions had to be worked out in the light of our own experience and in accordance with the genius of our own people. India was a vast country with a variety of cultures, languages, communities and races. The problem of finding out the right solution to the relationship between the Centre and the States had to be tackled, the problem of the rights of the minorities, religious and linguistic, the problem of a common language for India, the problem of the fundamental rights of the people, the extent of the franchise and numerous others had to be taken up and resolved. It is a measure of the wisdom and maturity of the people of this country and her representatives that a Constitution was shaped which has given the country democratic institutions that have stood the test of time. During the course of the last two-and-a-half decades numerous countries of Asia, Africa and Latin America which had been dependencies or semi-independent countries have acquired full political independence. Few however, were able to evolve institutions that could withstand the political storms that inevitably rocked these countries. After numerous experiments many of these countries resorted to military dictatorship which is only a confession of failure because it means administration without the consent or the participation of the people in any form. By contrast India too has faced many storms, has been subjected to aggression on more than four occasions, has seen the assassination of the Father of the Nation and the death of many of the topmost leaders and yet the democratic institutions have survived, the continuity of administration has been maintained, elections have been held at regular intervals and popular governments have functioned throughout.

The Indian Constituent Assembly which was elected according to the procedure laid down by the British Cabinet Mission in its Statement of 16 May 1946 met on 9 December 1949. The final session of the Constituent Assembly was held on 24 January 1950 when the historic document embodying the Constitution was signed by the Prime Minister,

Mr. Jawaharlal Nehru and by all the representatives of the people who took part in framing the Constitution. It came into effect from 26 January 1950 which has since then been celebrated as Republic Day because it marks the date on which India became a Sovereign Independent Republic.

Looking back in retrospect at the transfer of power and the events preceding and following it one is struck by certain unique features that characterised India's achievement of independence. In the final phase the transfer of power was by consent and India became free as a result of an act of the British Parliament. This undoubtedly marked a departure from the pattern in many other parts of the world where independence was achieved by violent uprisings of the colonial peoples against the ruling powers. And yet it would represent only a part of the reality if one characterised this transfer of power as a purely peaceful event. Behind the peaceful transfer of power on 14/15 August 1947 lay the long period of popular struggle which sometimes took the form of peaceful mass movements and at other times burst into violent explosions of one sort or another.

The transfer of power to the Indian people after more than a century of British rule brought about deep and far reaching changes in the political, economic and social structure of Indian society. At the same time because of the special circumstances that accompanied the transfer of power there was no sharp and total break. It was on the whole a planned and orderly transfer of power and no vacuum was created at any stage. Many of the institutions, much of the legislative framework and many social patterns evolved during British rule continued unchanged. The administrative structure also continued and was based on the steel frame of the Civil Service established in the period of British rule.

This paradoxical character of the transfer of power with its many unique features established a new pattern and created a new precedent in political history. This was to have its impact on developments in the Asian and African world in the coming decades.

Reviewing the period immediately following independence one has to take note of the fact that till the Second Plan period the economic growth of the country was rather slow and the achievements can hardly be called spectacular. But against this we have to offset the extraordinary situation that faced the country immediately following the achievement of independence. We have already referred to the fact that India was faced with a war with its neighbour Pakistan almost on the morrow of independence. For a country struggling to get on its feet this was a severe strain not only politically but also economically. We have also referred to the gruesome communal riots that took place

on an unprecedented scale in Punjab and other parts of India causing destruction of crops and property and giving birth to a refugee population numbering millions. The task of rehabilitating these refugees both in the Western and in the Eastern regions of India was a colossal one, the like of which few countries have ever faced.

Apart from the social and political problems arising out of these events the economic strains to which the country was subjected were quite serious. It was because of this that no major developmental effort could be made till as late as 1956 when the Second Five Year Plan was adopted and the first attempt to develop a heavy industrial base in the country was made.

Political alignments in the period immediately following the transfer of power have also a number of interesting features. The assassination of Mahatma Gandhi by a Hindu fanatic was not a chance incident or an isolated event. It was an indication of the fact that reactionary forces continued to have a base in the country and were desperately striving to prevent the consolidation of a secular democratic State in India. A handy weapon in the hands of these forces was the fire of communalism which burnt strongly in the hearts of many in the country who had either directly been victims of the riots or who had witnessed the effects of these riots. Paramilitary formations spearheaded the drive of these communal forces which might easily have developed into a serious menace and subverted the new Indian democracy. Feudal elements from some of the erstwhile Princely States were another source of disaffection and a threat to the consolidation of progressive and democratic forces in the country.

Left extremists also posed a challenge from another angle. Instead of appreciating the fact that the most important task facing all patriotic and progressive elements in the country was that of reconstructing the economy ravaged by partition and riots and suffering from centuries of stagnation, some of these elements dreamt of an armed revolution and the immediate establishment of a Communist-type State. Developments in the Telengana region of Hyderabad provided a fertile field for left extremism of this variety. In this region guerilla activity had sprung up in the course of the struggle against the autocratic Nizam of Hyderabad. Many villages in this region were 'liberated' by the guerillas mainly consisting of local peasants and agricultural workers led by certain Communist intellectuals. As long as the Nizam of Hyderabad continued to defy the Indian Government this guerilla struggle received some amount of support from other political forces in India. With the police action of the Government of India leading to the accession of Hyderabad to the Indian Union the situation changed and the Telengana movement, in the form in which it was being carried on, lost its relevance. For some

time, however, left extremists in the country continued to make efforts to extend guerilla activity and developed Telengana-type bases in other parts of the country. These efforts were particularly strong in certain parts of West Bengal such as the Kakdwip area in the Sunderbans region. In keeping with this outlook violent disturbances were also organized in urban centres. This phase of left extremism was particularly intense in the period between 1948 and 1950. With the adoption of the new Constitution, the extension of civil liberties and the starting of democratic processes, the left extremists found the ground slipping from under their feet. From the middle of 1951 the Communist movement which had spearheaded this left extremist movement changed its line and decided to give up insurrectionary methods and participate in the democratic process.

The task of harnessing the diverse and heterogenous political forces in the country many of which were inclined to pull in opposite directions was beset with serious difficulties. The fact that it was nevertheless successfully performed and that by the time the first general elections took place in the country all major political forces had fallen in line and agreed to work broadly within the framework of the Constitution was one of the major achievements of this period—an achievement for which the credit must of course go to Mr. Nehru, the man who held the helm in the years immediately preceding and following Independence.

was to reach its culmination in the fourth general elections had thus started earlier. The Jan Sangh for instance increased its strength in the Lok Sabha from 3 to 14 between the first and third general elections and the Swatantra which had not yet come into existence at the time of the first election emerged with a strength of 18 in the third general election. Similarly the combined strength of the Communists and Socialists which was only 28 in the first Lok Sabha rose to 41 in the third.

In 1954 a *de facto* merger of the former French settlement of Pondicherry, Karikal, Mahe and Yanam with the Indian Union took place. Shortly before this the Government of India had decided to integrate Chandernagore, another French settlement, with West Bengal. Speaking about the merger of the French settlements with Free India Mr. Nehru stated "we have to complete our own political revolution by bringing about the integration of these pockets in India. It is important that this step (the merger of Pondicherry and other French settlements—*Ed.*) came about. Even more important is the manner of its coming about... through friendly negotiated settlement with the French Government. That settlement does honour both to the Government of India and the Government of the French Republic as all true settlements always do." He later went on to describe Pondicherry as "a symbol of friendly solution by negotiated settlement between nations." Unfortunately in the case of the other country which had possessions in India, Portugal, the merger did not proceed so smoothly. The Portuguese continued to resist all efforts to cede the territories occupied by them in India to the Indian Union. This resulted in the launching of a popular struggle within the Portuguese territories of Goa, Daman, Diu, Dadra and Nagar Haveli both within these territories and on the soil of India. Dadra village was liberated by volunteers as early as 1954 but Goa continued to hold on and a number of peaceful non-violent marches by volunteers from India met with brutal repression at the hands of the Portuguese administration. Ultimately in 1961 the Indian defence forces were forced to move into Goa, Daman and Diu and the last foreign possessions on Indian territory were merged with the Indian Union.

Speaking on the subject at a Press Conference in New Delhi shortly after the liberation of Goa, Mr. Nehru spoke about this event and mentioned that the liberation of Goa had been "hailed by the people, not by the Hindus alone but by the Christians including the Catholics". Mr. Nehru pointed out that the whole of Africa and nearly all the countries in Asia had rejoiced at the event. He however deplored the fact that there were some countries in the West which condemned India. Describing the action Mr. Nehru stated "it was practically over in a day's time because except for a little in Diu and a little elsewhere there was practi-

cally no resistance." Later in Parliament Mr. Nehru stated that the Government wanted Goa to maintain its separate identity or individuality and he also made it clear that the Konkani language used in Goa would be given its proper place. Mr. Nehru concluded his speech in Parliament introducing the Constitution 12th Amendment Bill which incorporated Goa, Daman and Diu in Schedule I of the Constitution with the words "I feel proud to be able to place this before the House. It ends a part of history which is not pleasant for us to remember and starts a new historical epoch in India".

A question that caused considerable turmoil and led to wide-spread disturbances in the country was that of language. Associated with this was the issue of the linguistic reorganisation of States. On this question there had been a considerable amount of controversy in the Constituent Assembly itself. While the Hindi speaking States and even some from non-Hindi States like Gujarat and Maharashtra supported the claim of Hindi to be the official language of the Union, the southern States as well as West Bengal were generally opposed to this. Ultimately a formula was evolved whereby while Hindi was accepted as the official language of the Union, it was agreed that for a period of 15 years from the commencement of the Constitution the English language would continue to be used for all the official purposes of the Union for which it was being used immediately before such commencement. It was also provided in the Constitution that at the expiration of five years from the commencement of the Constitution and thereafter at the expiration of ten years from such commencement a Commission would be constituted to make recommendations about the progressive use of the Hindi language and restriction on the use of the English language. It was further provided that a Committee of Members of Parliament would be formed to examine the recommendations of the Commission and to report to the President their opinion thereon.

With regard to the regional languages the Constitution laid down that the legislature of various States could adopt any one or more of the languages in use in the State or Hindi as the language or languages to be used for all or any of the official purposes of the State.

The compromise arrived at by the Constituent Assembly did not settle the issue conclusively. There were repeated disturbances in various parts of India particularly in Madras State against efforts to implement the provisions of the Constitution with regard to the progressive use of the Hindi language. It had become clear that despite the obvious desirability of having one Indian language as the common language of communication amongst peoples of different States and also as the official language, there was considerable opposition on the part of some of the non-Hindi States to accept the position that Hindi

should be that language. As a result of the agitation in several States the Prime Minister had to give an assurance in Parliament that no major change would be made with regard to the use of English without the consent and approval of the non-Hindi speaking people. The Constitution as originally adopted had specified that the English language would be in use for 15 years from the commencement of the Constitution—in other words till 1965. Mr. Nehru's assurance was later embodied in the Official Language Bill which was brought before Parliament in April 1963. The object of the Bill was to remove the restriction on the use of English after 1965. The Government's thinking on this question after the storms and controversies that had rocked the country for many years was crystallised in the speech made in the Lok Sabha by Mr. Nehru when introducing the Official Language Bill. It would be worthwhile to give a few extracts from this speech :

"All our Indian languages have grown in the last 15 years. Our languages are alive and are dynamic today. Although India is multi-lingual, its languages are closely allied. We can skip from one to another with relative ease. And we should try to do it. We have suggested the three-language formula. A large number of people should know, apart from English, some Indian language other than their own. As this understanding grows, the languages will come closer together, and the gaps which exist between the Indian languages will decrease. Inevitably, these languages must grow in their own regions.

"I am all for English being used for higher scientific and technological studies. Even so, if we are to spread the knowledge of science in our schools, we should teach it widely through the national languages. Otherwise, we will inevitably limit the people's understanding and appreciation of it. It will not spread.

"Let us not look at it from the point of view of Hindi versus English or English versus Hindi. That is a wrong point of view. We have to use each in its proper sphere. In the sphere of national languages, only national languages have a place. We cannot speak of English in that connection. We can speak of English in many other connections.

"Therefore we have to develop regional languages. I have no doubt that we will do more and more of the work of education, administration, etc., in the regional languages. The growth of India, in the sense of language, can only take place by the co-operation of the languages and not by the conflict of languages. They are near enough, and the ideas behind them are much the same.

"The real difficulty arises in the next stage. What is to be the link connecting these regional languages?

"So far, the link has been English. In fact, it has not only been the

link, but work even within the regions has been done not in the regional languages, but in English. We have had a fixation about English, and we still have it to a large extent. There is no doubt there is a certain vested interest created in the knowledge of English. That automatically separates us from those who do not know English. It is a very bad thing. Before independence, in this country of castes, the most hardened caste was the caste of the Englishknowing, Englishclothed, and English-living people. It put high barriers between us and the masses of India. We have to remove these barriers.

"Hindi has been suggested in our Constitution as the link language for Central and official purposes. As I have said earlier, I want English to continue here for many purposes, and it may even be a link language, for example, between individual thinkers, literary men and authors. But the normal link language for India cannot be English. The normal link language has to be an Indian language, and of all the Indian languages, only Hindi is feasible. That is the only claim that I make for it."

Even more difficult of solution was the problem of linguistic States. Prior to independence the Indian National Congress had stood for linguistic provinces. In fact, the Congress in its election manifesto of 1945/46 had clearly stated : "It (Congress) has also stood for the freedom of each group and territorial area within the nation to develop its own life and culture within the large framework and it stated that for this purpose such territorial areas or provinces should be constituted, as far as possible, on a linguistic and cultural basis". After independence, however, for a while the Government of India did not encourage the formation of linguistic States as there was a feeling that this might give rise to separatist tendencies. The first spark of the movement for linguistic States was lighted in Andhra which continued to be part of Madras State. The Telugu speaking people of Andhra demanded that the Telugu speaking regions of Madras State be separated and formed into a separate Andhra State. At first this demand was resisted but following the death of Potti Sriramulu, a respected leader of Andhra, who had undertaken a fast unto death on the demand for an Andhra State there were wide-spread disturbances in Andhra. The Government ultimately agreed to create the Andhra State. The decision was taken as early as 1952 and the State was actually formed on 1 October 1953.

The inevitable corollary of this decision was the linguistic reorganisation of the whole of India. For some time the Government hesitated to take this step. Ultimately however a Commission was formed to study the question of reorganisation of States on a linguistic basis with Mr. Fazli Ali, a judge of the Supreme Court, as the Chairman. This Commission submitted its report on 30 September 1955. The Govern-

ment did not immediately accept the recommendations of the States Reorganisation Commission. While declaring that the report deserved the most careful consideration, Mr. Nehru stated in a broadcast to the nation on 9 October 1955 that he was "a little surprised at some of the recommendations". He suggested that the report should be circulated to State Legislatures for their opinion and that the public should also have an opportunity for the expression of opinion. He appealed to the people not to decide problems "by appeals to passion and in a state of high excitement". Ultimately however a States Reorganisation Bill was placed before the Parliament and passed. As against the existing 27 States the States Reorganisation Commission had provided for 16 States mainly on linguistic lines. Some of the old Princely States such as Hyderabad were completely dismembered. The regional groups that had belonged to Hyderabad State were merged with the neighbouring linguistic States. However a major point of controversy that remained unresolved was the question of Bombay State. The States Reorganisation Bill proposed that Maharashtra and Gujarat be one composite State and that Bombay should continue to be its capital. Feelings ran high in Maharashtra that the two States should be separated and that Bombay city should go to Maharashtra. There was a movement for the formation of a separate Gujarat State in Gujarat also. The movement ultimately forced the Government to change their original stand and to bifurcate the Bombay State into its constituent Maharastrian and Gujarati parts forming the States of Maharashtra and Gujarat, Bombay became the capital city of Maharashtra and the capital of Gujarat was located at Ahmedabad.

Subsequently, there have been occasional disputes over the fixing of boundaries some of which continue till this day but by and large the country seems to have settled down and the pattern evolved appears to be fairly stable though adjustments will undoubtedly continue to be made.

The way in which this vexed question of drawing up State boundaries was resolved is one of the important examples of the resilience and flexibility of Indian democracy. The question of language and linguistic States at times seemed to rock the foundations of the Indian Union. Cries of dissent were raised and even demands for secession made in strident tones backed up by militant and violent actions leading sometimes to loss of lives and property. Nevertheless, the Government was ultimately able to calm down the inflamed passions, to hammer out compromises and to work out solutions in accordance with the urges and aspirations of the people. It was because we had democratic institutions and because the people were ultimately able to play a role in making decisions, that the eruptions that shook the country, violent as they were, never succeeded in breaking its unity. Indeed when the

dust and the storm of the controversy had settled down the foundations of Indian unity seemed stronger and the sense of nationhood ultimately triumphed.

We shall deal with the subject of India's international relations in a separate chapter but it needs to be mentioned here that the fifties represented the high water-mark of India's foreign relations. Although weak militarily and economically as compared to the developed countries of the world, she commanded the respect of both the two big power blocs in the world and was often courted by them simultaneously. It was because of this that she was often able to play a peace-maker's role in world affairs, a fact that gave her considerable prestige in the third world, or the group of newly liberated countries.

In the sphere of economy too some of the most dramatic developments took place in this period. Prestigious projects such as the Bhakra Nangal Dam, one of the largest of its kind in the world, were completed bringing life-giving water to vast areas and spreading electricity to remote villages in the Punjab and Delhi regions. Large steel plants representing the latest technology in steelmaking came up in Bhilai, Durgapur and Rourkela, trebling the steel capacity of the country at one go.

Truly this was a period of growth and consolidation and the country was poised for even more rapid advance a development which would undoubtedly have taken place had it not been for certain adverse currents that set in soon after.

Chapter III

CHINA ATTACKS

We now turn to one of the darkest chapters in the history of post-independence India. The events following the massive invasion of India by Chinese troops on the morning of 20 October 1962 and the serious reverses suffered by the Indian army will be remembered with sorrow and shame by every Indian. It is, however, a measure of the strength and vitality of the Indian nation that the disaster of 1962 did not overwhelm us and could not force us to deviate from the path that we had chosen for ourselves. In fact, the humiliation of 1962 steeled our wills and forged the ties of unity more strongly than ever before. It was perhaps a blessing in disguise for had it not been for the debacle of 1962 we might never have won the battles of 1965 or achieved the triumph of 1971.

The record of events in the conflict with China in 1962 is worth recounting because it has lessons for the people of India, lessons that the present and future generations can afford to forget only at their peril.

Although Chinese aggression really started as early as 1957 in Ladakh and border clashes had taken place in 1959 both in Ladakh and Longju on the NEFA border, actual hostilities may be said to have commenced on 8 September 1962, when the Chinese crossed the McMahon line and their incursions which had till then been confined to the Ladakh frontier were extended to the NEFA border. On that day the Indian post at Dhola was attacked by about six hundred Chinese soldiers who had crossed the Thagla ridge. Between 8 September and 20 October the Indian army tried to reinforce its positions in the NEFA area to meet the Chinese challenge. There was intermittent exchange of fire and a few major engagements. It was only from 20 October that a massive invasion started with the Chinese striking against our positions near Dhola in great strength. The Indian posts at Dhola and Khinzemane fell on the same day. Simultaneously the Chinese developed a two-pronged attack on Tawang, one from Boomla in the north and the other from the west, where Chinese units were pursuing the Indian troops retreating from Nyamkachu. At the other end of NEFA in the Walong sector too fighting started and although here the Chinese suffered heavy casualties the Indian troops were forced to retreat. The

Chinese also succeeded in capturing a number of passes leading to Monigong, Gelling and Korbo. Synchronising with their attack in NEFA the Chinese attacked the forward army positions in Ladakh east of Daulat Beg Oldi and rendered the airfield at Daulat Beg Oldi unusable by firing on IAF planes arriving there for supply dropping. By the evening of that day five Indian army posts had been overcome. Later, all the other advance posts were withdrawn to Daulat Beg Oldi and then the entire battalion was withdrawn from Daulat Beg Oldi towards Panamik. The Galwan post, which had held out for nearly three months, was also overcome on 22 October. Two days later the Chinese attacked the Sinjap and Yula posts on the Panggong Lake. The first fell and the other was withdrawn to Phobrang. There was a pause for a few days and on 27 October the Chinese army concentrated in the southern sector and overran Changla, Jarala and Demchok. The Chinese, using their strategic advantage of inner lines, used the principle of concentration of force to defeat Indian detachments in detail. First they concentrated against the northern sector (between October 20-22), then against the central sector (between October 22-24) and finally against the southern sector (October 27-28).

By these manoeuvres the Chinese had thrown out the Indian troops practically all along the Ladakh border beyond their 1960 claimed line. Only a few pockets in the Chushul Sector remained in Indian hands. In Ladakh, however, the situation was rather different from what it was in NEFA, the withdrawals being carried out in a planned manner.

For a few days there was a lull in the fighting during which the Chinese took steps to improve the road from Sao to Boomla and from Boomla to Tawang to make it fit for trucks. The battle was resumed on 14 November in the Walong sector and one by one Indian positions in this area were overrun. In the Machuka sector the Chinese crossed Lo'a and marched nearly thirty miles south towards Machuka. Although this position was better situated for defence it was abandoned as by this time a general decision to withdraw from NEFA had been taken. The biggest Chinese pressure was in the Kameng sector. The Chinese were believed to have brought another fresh Division which covered the distance from Sining to Tawang (1300 miles) in exactly eight days—a record performance for any army! The moment this division reached Tawang Sela was in danger. This was around the middle of November. The Chinese troops had meanwhile also crossed Poshing La. The Chinese were soon on the outskirts of Bomdila. One unit from this force cut the Bomdila-Dirang Road and another unit pressed forward, bypassing Bomdila, to Tenga valley where it laid an ambush both against the retreating Indian troops as well as against reinforcements coming from Tezpur. In the meantime the Chinese troops occupied the defences round Bomdila vacated by the Indians. It was a well planned operation

and with hardly any fighting two Chinese Battalions overran and surrounded the Brigade position at Bomdila and forced the Indian troops to retreat. Other Indian soldiers who were coming from Tezpur for reinforcing Dirang and Bomdila, were intercepted in Tenga valley and suffered severe casualties. Another detachment of Chinese troops crossed the pass of Bangazong hitherto held to be impassable and came down to the foothills where they took their positions on almost every track coming down from Bomdila-Dirang Sengezong-Sela Road. Some of the Chinese forces also cut the route between Sela and Sengezong. Another unit coming from Kiya La to the right managed to get behind the Indian positions and commanded the road between Dirang to Sengezong. Thus by 17 November the road from the foothills to Sela had been cut at four places by the Chinese, at Tenga valley between the foothills and Bomdila, between Bomdila and Dirang, between Dirang and Sengezong and between Sengezong and Sela.

While this was going on another Chinese Division that had come from Sining started pushing against the main Sela position. Coming in waves the Chinese despite tough resistance got round the Indian position at Nurnang-Jhang on the slopes below Sela. In the meantime, other Chinese units had crossed the Tawangchu river at a number of points, climbed the hills and taken up positions on all heights overlooking the various passes. This infiltration had started quite early during this war and when the main pressure was exerted on the Sela front on the 15th, the Chinese were already behind and overlooking our defence positions. With the pressure of the Chinese mounting, Indian troops were given orders to withdraw to the Sela position. This withdrawal led to a whole series of withdrawals and in some cases apparently without orders. The Chinese were following close on the retreating Indian army, which was ambushed by the enemy who had crossed from Bangazong or Kiya La. This led to utter confusion and those who managed to escape the ambush lived for days on grass and water. Many actually perished on the way. A similar story was repeated in Bomdila and by the 20 November the Chinese had overrun practically the entire Kameng Division and had completely destroyed the four Infantry Divisions comprising nearly 11 battalions.

In Ladakh, however, the picture was somewhat different. By the 16th the Chinese had concentrated all their troops against Chushul. On the 17th morning the Chinese attacked the Indian position at Rezang La and, after several hours of severe fighting, succeeded in overrunning it and the defenders died practically to a man. However, Chushul held out and the Chinese were unable to break our defences at that place.

By 3 A.M. on 21 November, however, Peking radio announced a

cease fire commencing from the midnight of the following night. The salient point of the cease fire proposals unilaterally made by China were :

- (1) Beginning from the midnight of November 21-22, 1962, the Chinese Frontier Guards would cease fire along the entire border.
- (2) The Chinese would begin a withdrawal from 1 December 1962, and they would withdraw to positions 20 kilometres behind the line of actual control which existed between China and India on 7 November 1959. (The Chinese would thus completely evacuate NEFA and hold positions north of the McMahon Line).
- (3) In the middle and the western sectors the Chinese Frontier Guards would withdraw 20 kilometres from the line of actual control (which would more or less mean 20 kilometres from their claimed line of 1960 ; but they would evacuate Demchok, Rezang La, etc.).
- (4) Inside the area in their side of actual control but to be vacated by them, the Chinese would set up checkposts with civil police and notify their existence to the Government of India.
- (5) The Chinese and Indian Governments should appoint officials to meet at places agreed upon by both the parties to discuss matters relating to the 20 kilometres withdrawal of the armed forces of each party to form a demilitarised zone and the establishment of checkposts by each party on its side of the line of actual control as well as the return of the captured personnel.
- (6) When the tasks of these officials had yielded results and the results had been put into effect, talks could be held between the Prime Ministers of the two countries either in China or in India.
- (7) Even in the absence of response from the Indian Government in good time, the Chinese Government would take initiative to carry out the above-mentioned measures.

This proposal would leave the Chinese in complete control of the entire north-east portion of Ladakh known as Aksai Chin, Soda Plains, Lingzi Tang and Depsang Plains, but they would be completely out of the NEFA and also the territory they had occupied in south-east Ladakh. In the middle sector there would be no change as there had been no Chinese intrusion. It was quite clear that the Chinese were not in any

way disposed to give up the territory of north-east Ladakh, which they had grabbed by force.

The next phase of the battle was waged on the political and diplomatic plane. Although China's military prestige rose high and India's naturally suffered considerably the subsequent moves on the diplomatic level to some extent turned the tide in India's favour. Alarmed by the conflict between India and China and the consequences this could have had on the countries of Asia and Africa, six countries—Ceylon, Burma, Cambodia, Indonesia, U.A.R. and Ghana—met at Colombo between December 10-12, 1962. Since this meeting was held at the initiative of the Ceylonese Prime Minister, Mrs. Bandarnaike and since they met in Colombo, the proposals drawn up by them have come to be known as the Colombo Proposals. The proposals made by the Colombo powers came fairly close to the demands that were being made by India on the conditions under which negotiations could take place between India and China. The Government of India accepted the proposals of the Colombo powers and thus showed her interest in a peaceful settlement. China however after initially stating that they were favourably inclined to the proposals, ultimately refused to accept them. Since then the whole issue has remained frozen and though India has repeatedly expressed her willingness to improve her relations with China there has unfortunately been no response from the Chinese side.

What were the reasons for the debacle of October-November 1962? A controversy has been raging on this issue in the country and it is difficult to say if it will ever be possible to give a full and final verdict on this question. Nevertheless there are certain facts on which there is hardly any dispute and on the basis of this certain conclusions can perhaps be drawn.

The emergence of the Peoples' Republic of China in October 1949 had generally been welcomed by the people of India and Mr. Nehru, India's Prime Minister during this period had immediately made overtures of friendship to the new Chinese Government. In fact India was one of the first countries to recognise the Communist Government of China—a step that was taken on 30 December 1949 within three months of the establishment of the new Government. Shortly afterwards in May 1950 India's first Ambassador to Communist China, Mr. K. M. Panikkar, presented his credentials in Peking. India's attitude however did not at this stage evoke a friendly response from the leaders in Peking and Peking radio continued to heap abuses on the Indian Government generally and Mr. Nehru in particular.

In October 1950 the Chinese launched an attack on Tibet. This was in contravention of the assurances that the Chinese leaders had given to the Indian Government that the Tibet question would be settled

by peaceful methods. In the exchange of notes that followed between India and China the Chinese Government asserted that "the problem of Tibet remains a domestic problem of the Peoples' Republic of China and no foreign interference would be tolerated". This discourteous tone was adopted despite the fact that India was at that time taking an active interest in securing China's entry into the United Nations. Meanwhile the Tibetan authorities finding no other alternative were forced to sign an agreement with the Chinese Government which ended Tibet's autonomy and accepted the position that Tibet was part of the Peoples' Republic of China.

India too decided to recognise China's suzerainty over Tibet and to renounce the treaty rights it had inherited from the British in Tibet. Although public opinion in India was extremely critical of the Chinese action in Tibet and although the Prime Minister too had publicly expressed and conveyed to the Chinese his anguish over the way Chinese forces had forcibly occupied Tibet, India felt that no purpose would be served in not accepting the reality. At that time there was a faint hope in India that the assurance given by China regarding the autonomy of Tibet would be honoured. However subsequent events proved that this was not to be.

In December 1953 a conference was held at Peking in which a delegation headed by the Indian Ambassador in Peking discussed various issues affecting the two countries. Finally on 29 April 1954 the Sino-Indian agreement was signed embodying what later came to be famous as the Panch Sheel. The five principles of the Panch Sheel were: (1) Mutual respect for each other's territorial integrity and sovereignty, (2) Mutual non-aggression, (3) Mutual non-interference in each other's internal affairs, (4) Equality and mutual benefit, and (5) Peaceful co-existence. Along with these there were a number of articles in the agreement by which each country allowed the establishment of a number of trade agencies by the other country in its territory. Subsequently in the month of October a trade agreement was also signed between the two countries.

The signing of these agreements ushered in the period which has been referred to as the 'Hindi Chini Bhai Bhai' period. Premier Chou En-lai paid a visit to India and Prime Minister Mr. Nehru in return visited Peking.

It was necessary to state this background to explain how it was that India was caught off her guard in 1962. Despite many indications of the aggressive postures of China, India as a peace-loving country took the Chinese protestations of friendship at their face value and felt that whatever the differences a full scale war between the two countries was just not thinkable.

It was this outlook that influenced Indian action when China started encroaching on Indian territory. Explaining the Indian attitude Mr. Nehru stated in the Lok Sabha in one of his speeches during this crisis :

"For five years we have been the victims of Chinese aggression across our frontiers in the north. That aggression was, to begin with, rather furtive. Occasionally there were some incidents and conflicts. These conflicts might well be termed frontier incidents. Today we have seen a regular and massive invasion of our territory by very large forces.

"China, which claimed and still claims to be anti-imperialist, is pursuing a course today for which comparisons can only be sought in the eighteenth and nineteenth centuries. In those past days, the European powers, in the full flood of imperialist aggression and with strength and weapons given to them by the industrial revolution, took possession of large parts of Asia and Africa by force. That imperialism has abated now, and many of the colonies of European countries have been freed and are independent countries. But, curiously, the very champions of anti-imperialism, that is, the People's Government of China, are now following the course of aggression and imperialist expansion.

"It is sad to think that we in India, who have pleaded for peace all over the world, sought the friendship of China, and treated them with courtesy and consideration and pleaded their cause in the councils of the world, should now ourselves be victims of a new imperialism and expansionism by a country which says that it is against all imperialism.

"Much has been said about our unpreparedness. I do not seek to justify any error that we might have committed, but I do think that many hon'ble members have done an injustice, not to this Minister or that, but to our armed forces as a whole, in making various charges. I hope to disabuse their minds by stating some facts. The one fact, as I said, is that our whole mentality has been governed by an approach of peace. That does not mean that we did not think of war or of defending our country. We had that always in mind. But there is such a thing as being conditioned in a certain way and, I am afraid, even now we are conditioned somewhat in that way.

"Before 20 October, it was not realised by the people at large what dangers possibly might confront us.- They thought of frontier incidents. Hon'ble members in this House criticised us for not taking steps in Ladakh to drive out the Chinese, not realizing that it was not such an easy matter. Perhaps they now realise it a little more that these things are not such easy matters, that they require not

only strength but strength properly utilized, properly directed, and enormous preparation and consideration of military factors. Where these factors are against us, naturally we suffer a reverse, no matter what our strength is. Our jawans are very strong. I might mention for the information of the House that after the Chinese started nibbling at our territory in Ladakh a couple of years ago, we considered the question of what we should do if they attacked. We hoped that they would not attack there. We expected that they would not attack in such large numbers as to bring about a regular invasion with several divisions, as they did. Nevertheless, we did consider what should be done if they did so. The advice that we received then was that it would be disadvantageous for us to try to hold to the exact frontier line, the McMahon Line, since the real defence line should be lower down, but that we should delay them, we should harass them, we should fight them a little. Partly because to the last moment we did not expect this invasion in overwhelming numbers, and partly because we disliked the idea of walking back in our own territory, we faced the Chinese under very disadvantageous circumstances from a military point of view. In addition to that, enormous numbers came over. It is no criticism at all of our officers or men that they were somewhat overwhelmed by this deluge and they had to retire to more defensive positions.

"The real, basic reason for our reverses in the early days of this campaign was the very large forces the Chinese threw in. In a restricted sphere or field, they outnumbered our forces many many times. Even the question of whose arms were better did not arise. We had slightly better arms, but they had better mortars to hit at from some distance. That was the main reason, and there was nothing that we could do about it, because the geography of the place was against us in that particular area. Our only fault, if it was a fault, was even to stick out where the military appraisal was not very favourable. It was not that we told them to stick out; it would be folly for any politician to say so. But our soldiers themselves have a reluctance to pull back, and they stuck on at considerable cost to themselves."

In these words of Mr. Nehru we can get a glimpse into the working of the process that led to the disaster of 1962. Advantage was taken of the fact that we were a peace-loving country and a peace-loving people. Advantage was taken of the fact that we accepted the protestations of eternal friendship made by a neighbouring country at their face value. In the short run perfidy can always yield quick returns. The aggressor has always the initial advantage in any conflict.

Criticism has been voiced in certain quarters that Mr. Nehru at first underestimated the Chinese danger and later provoked the

Chinese to attack by his call to the army to throw out the Chinese and by the adoption of what has come to be known as the "forward policy". Mr. Nehru has himself admitted that he did not actually expect the Chinese to launch a massive invasion such as they did in September/November 1962. But the entire course of events shows that the Chinese were not acting on impulses or on some transient mood created by the Indian Prime Minister's remarks which have been much misunderstood. When the Chinese kept encroaching on territory which we considered was ours and when instead of going in for a settlement across the table they began to use force to assert their claims India had little choice but to establish posts in what she believed was her territory.

There is another type of criticism to the effect that India missed an opportunity for settlement when Premier Chou En-lai visited India for talks in 1960. But was it possible for a self-respecting country to accept a settlement under duress and under threat of military action?

The reverses suffered by the country had, as might have been expected, an adverse effect on the popularity of the Congress party and of Mr. Nehru himself. This became apparent when an attempt was mounted on Mr. V. K. Krishna Menon, Defence Minister, who was known to be quite close to the Prime Minister. Mr. Nehru had ultimately to yield to the pressure of opinion within the Congress Parliamentary Party and within the country generally. Mr. Khishna Menon submitted his resignation and Mr. Y. B. Chavan was brought in as the Defence Minister.

A number of bye-elections in the country shortly after the debacle indicated the same trend of waning Congress popularity. Prominent opposition leaders who fought against Congress candidates scored impressive victories. Among those who were elected to the Lok Sabha in these elections were Mr. Masani, Swatantra leader, Acharya Kripalani, Independent opposition leader and a strong critic of the Government and Dr. Lohia, Socialist leader.

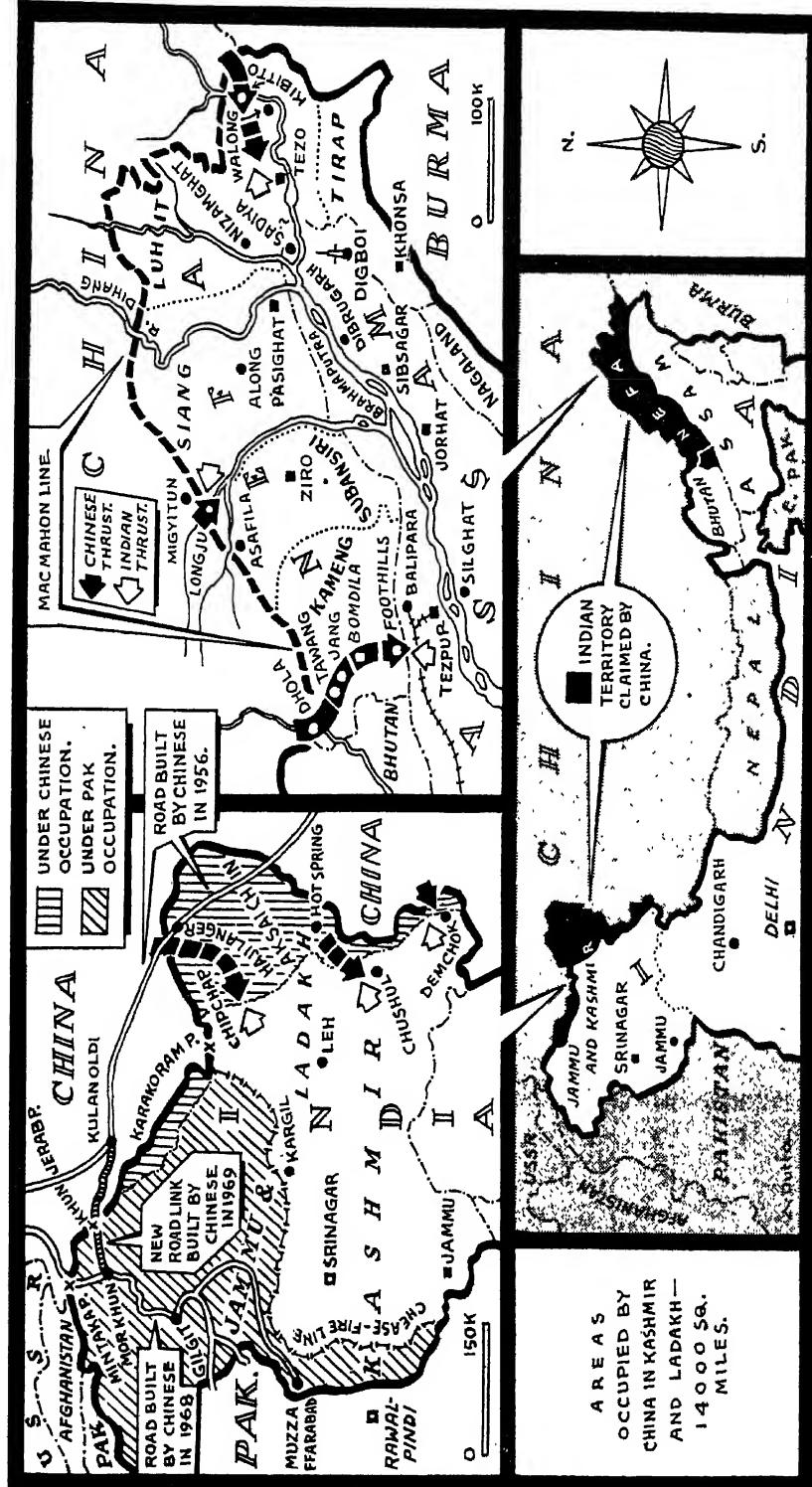
The notable feature of this whole episode is that in the face of this massive invasion India with its many peoples and many cultures, its many races and communities and religions united as one man and stood up to face the challenge. There was no weakening of the will of the people but rather an upsurge of patriotism.

Secondly, it is important to record that grave as the peril was and serious as the provocation was, India refused to be diverted from her policy of non-alignment. True India was compelled to seek aid from the Western powers and to condemn Communist China but India did not take the stand that the Communist bloc as a whole should be considered hostile. The Indian attitude paid dividends because despite

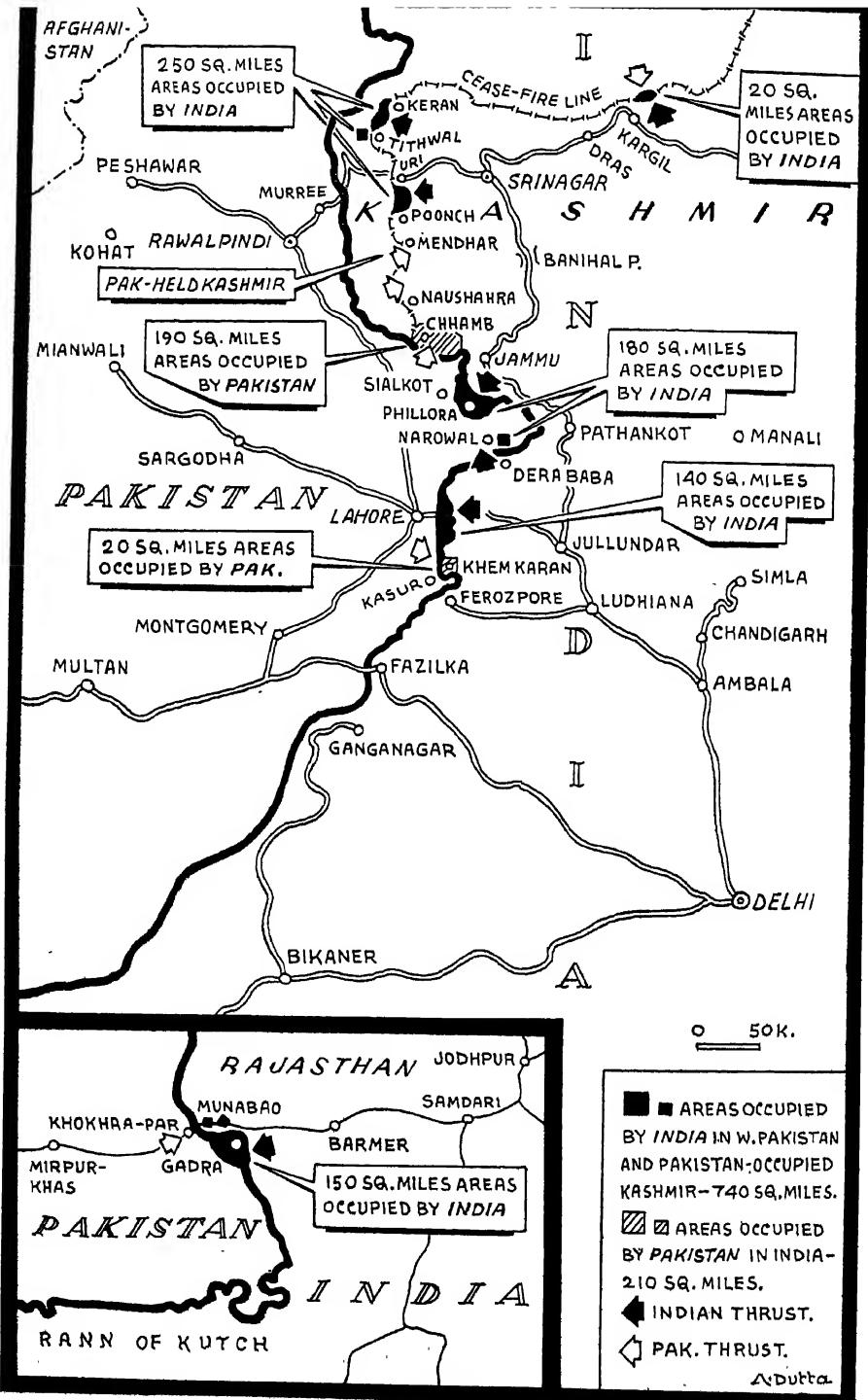
some initial hesitation the Soviet Union continued to help India with materials and arms and also pledged its moral support to the country.

Finally it needs to be noted that even in this crisis India's democratic institutions were not wound up, the Parliament functioned throughout and there was full scope for popular participation in the national defence effort. Under the pressure of circumstances an emergency was indeed declared in November 1962 and there is a feeling that it was prolonged longer than necessary. It was only withdrawn in 1967. But here again the striking feature is not that there was a curbing of civil liberties for a slightly longer period than absolutely necessary but that even after so grave a crisis the democratic processes were not abandoned.

The experience of 1962 was a traumatic experience and it helped the country to get rid of its complacency. The danger of yielding to moods of panic or despair was great but far from doing so the country resolved to strengthen its defences and to build up its economy on an even stronger foundation.



Map illustrating the conflict with China



A map of the front in 1965. The inset in the bottom left hand corner shows the operations in the Rann of Kutch area

Chapter IV

THE WARS WITH PAKISTAN—1965

Pakistan was founded on the basis of an absurd and unreal theory that "religion constitutes the basis of a nation". This theory backed up by intense communal propaganda and the stirring up of hatred leading to orgies of violence had helped the leaders of the Muslim League in British India to carve out the state of Pakistan from the Indian sub-continent. With its two wings separated from each other by a distance of more than 1,000 miles and with nothing in common between the two wings except the fact that the majority of the inhabitants of these wings belonged to the Islamic faith, it was not to be expected that the new state of Pakistan would co-exist peacefully with India. Tortured from the very beginning by a feeling of guilt and by a sub-conscious inferiority complex the leaders of Pakistan knew that the viability of their state could be sustained by a series of 'Hate India' campaigns and by whipping up a communal frenzy amongst its populace.

It was this that led the leaders of Pakistan into military alliances such as the CENTO and the SEATO. As a result of these pacts which were later buttressed by the alliance with China following India's conflict with the latter country in 1962 there began a flow of arms and sophisticated weapons into the hands of Pakistan's army generals. The first victim of this flood of arms was the people of Pakistan itself. In October, 1958 all pretence of democracy was abandoned and a military junta led by General, later self-styled Field Marshal, Ayub Khan seized power and established military dictatorship over the country. Although a pretence of a constitutional Government was attempted later, the fig leaf of Ayub's constitution was hardly able to conceal the nakedness of the military dictatorship that prevailed in the country. It has been aptly said that you can do everything with a bayonet except sit on it. The bayonets and the arms in the hands of the Pakistani military leaders tempted them to repeated military adventures against their neighbour India.

Pakistan's aggression against Kashmir committed on the morrow of India's independence has already been referred to in the opening chapter of this book. Despite Pakistan's unprovoked aggression in Kashmir, which it refused to vacate even after the cease fire, India showed her eagerness to live in peace with Pakistan. In keeping with

this desire India has repeatedly made offers of a no-war pact with Pakistan.

The first occasion was the draft of a proposed joint declaration suggested by India to the Pakistan High Commissioner on December 22, 1949. A few days later, Prime Minister Nehru, in a letter to the Pakistan Prime Minister, wrote :

"Owing to geography and for many other reasons it is inevitable that many issues arise between the two countries which require settlement. A firm declaration that we will in any event settle them by peaceful methods will itself be a great service to our two countries and the world, because it will remove fear of war from the minds of our people." Jawaharlal Nehru did not lose hope though Pakistan did not accept the proffered hand of friendship for years. In 1956, he repeated his appeal for a no-war pact in the following words :

"I do think that if both Pakistan and we are agreed that on no account should we go to war with each other but should settle our problems peacefully, they may not be settled for some time, but it is better to have a problem pending than to go to war for it. Therefore, it would be very desirable and helpful to have a no-war declaration."

Again in November 1962, Prime Minister Nehru, in a letter to President Ayub Khan of Pakistan, wrote :

"Both our countries are engaged in tremendous tasks of development and of modernisation so as to raise the standards of living of our people. To this we are firmly dedicated. You can rest assured, Mr. President, that this policy will be applied even more especially in our relations with Pakistan. The idea of any conflict with Pakistan is one which is repugnant to us, and we on our part will never initiate it. I am convinced that the future of India and Pakistan lies in their friendship and co-operation for the benefit of both."

After the passing away of Jawaharlal Nehru on 27 May 1964, Mr. Lal Bahadur Shastri, the new Prime Minister of India, again called for healthier and friendlier relations between India and Pakistan. In a speech made soon after assuming office, he said :

"For too long have India and Pakistan been at odds with one another. The unfortunate relations between the two countries have somehow had their repercussion on the relations between communities in the two great countries, giving rise to tragic human problems. This will require determination and good sense on the part of the Governments and people of India and Pakistan.

In a letter dated 15 June 1964, to President Ayub Khan of Pakistan, Prime Minister Shastri urged : "We must strive with patience and perseverance to resolve our differences."

Renewing India's offer of a no-war pact to Pakistan on Independence Day (15 August 1964), the Indian Prime Minister said :

"We desire amity between the two countries. Border incidents are not good either for Pakistan or for India. It also does not redound to our credit that we are not able to stop the migration of people across the border. Therefore, we want to find a way out, consistent with our honour."

These offers and appeals went unheeded by Pakistan, whose leaders seemed to be determined to continue their hostility towards India. Time and again they declared India to be their one and only enemy, and made unceasing preparations for an armed conflict."

Pakistani troops repeatedly violated the cease-fire line in Kashmir particularly after India's conflict with China and Pakistan's understanding with the latter country. The first major aggression against India after the invasion of Kashmir in 1949, however, took place in 1965. In April that year a full infantry brigade of Pakistan's armed forces attacked Indian positions in Kutch. These Indian posts were six to eight miles inside Indian territory. In order to justify its aggression, Pakistan invented a new international boundary with India's Kutch district in Gujarat State (Western India). Disregarding all previous maps and agreements about the boundary in this area, Pakistan described it as "running along the 24th Parallel". It sought to enforce this claim by the use of arms. The 24th Parallel had never been mentioned in any document concerning the boundary before the creation of Pakistan. There had never been any doubt about this boundary between Sind (now in Pakistan) and Kutch. The physical demarcation by stone-pillars which runs nearly 23 miles north of the 24th Parallel, conclusively disproved Pakistan's claim.

Initially, the Pakistani troops were successful in pushing back the handful of Indian policemen who were manning the border posts in Kutch. When the Indian armed forces took over the defence of the border in this area, the Pakistani intruders were pushed back. The Pakistan Government made loud protests against the action of Indian troops defending Indian territory and created a serious war psychosis. The issue was raised during the Commonwealth Prime Ministers' Conference held in June 1965 in London. On the initiative of the British Prime Minister, Mr. Harold Wilson, an agreement was signed for a cease-fire and negotiations for a peaceful settlement started. It was purely in the interest of peace that India agreed to refer to a tribunal what had been a well-established boundary. The tribunal condemned Pakistan before the bar of world opinion.

India's interest in peace and the readiness with which India agreed to the British proposals for a cease-fire and a peaceful solution of the

conflict on the Kutch issue was interpreted by Pakistan as a sign of weakness on the part of India. The ink had hardly dried on the agreement signed on the initiative of the British Prime Minister before Pakistan started preparations for another act of aggression.

On this occasion the plan was an extremely ambitious one. It aimed at infiltrating thousands of armed guerillas into Kashmir. This, the Pakistani leaders hoped, would spark off an uprising of the people of Kashmir and before India had time to realise what was happening Kashmir would be "liberated" and the world would be presented with a *fait accompli*. Elaborate preparations were made to ensure the success of this grand design. So confident were President Ayub and his associates of the success of their plan that they had started speaking openly of the impending guerilla struggle in Kashmir. The infiltrators who were to enter Kashmir were trained by Chinese experts in guerilla warfare. The Pakistani army was also kept in a state of readiness to march in the event of Indian troops taking action to recover "liberated Kashmir". In accordance with this plan on 5 August armed infiltrators started sneaking into the State of Jammu & Kashmir at various points along the 470-mile long cease-fire line. Unfortunately for Pakistan the infiltrators met with no response from the Kashmiri people. On the contrary the Kashmiri people co-operated with the security forces in ferreting out the infiltrators from their hideouts and disarming them. In fact on 5 August itself a cowherd Kashmiri lad in his teens first noticed the suspicious movements of the infiltrators and immediately reported the fact to the nearest police station. Similar reports started pouring in from various points in the State and the security forces were alerted and went into action. By 9 August the infiltrators were to have captured power in Srinagar where a call for some sort of demonstration had been given by the Plebiscite Front and the Kashmir Action Committee to commemorate the first anniversary of the arrest of Sheikh Abdullah. Despite the failure of the infiltrators or the Muzahids as they were referred to by Pakistan radio and the Pakistani Press, the Pakistan radio and newspapers in Pakistan reported that on 9 August the revolutionary council of patriots had assumed power as the sole lawful authority in Kashmir.

Amongst the various groups of infiltrators two groups named the Saladin force and the Ghaznabi force did the most damage. The first was intended for Srinagar and it crossed the cease-fire line towards the end of July, and the second had entered Jammu in early August and operated in the Mendhar Rajauri area. Indian security forces however not only succeeded in holding and either destroying or capturing almost all the infiltrators but were even able to seize a number of points across the cease-fire line from where the infiltrators were operating. By 10 September the infiltrators had been completely routed.

Realising that the game was up President Ayub decided to bring his regular army into action and thus ignited the spark that led to a full scale war with India. On 1 September a Pakistani attack in brigade strength supported by 90 tanks was mounted against India. The aim of this attack was to capture the strategic town of Akhnoor on the Chenab and cut the road passing through it from Jammu to Rajauri and to Poonch, thereby bottling up Indian forces in the Western region of the State. The column was thereafter to attack Jammu city and get astride the Jammu-Srinagar highway and isolate the Indian forces north of the Banihal pass.

The Pakistani thrust having behind it heavy armour and numerical strength posed a grave threat to the Indian defenders who were forced gradually to fall back on the Munnawar Tawi. At this stage it was decided to throw the air force into the battle and thus began a series of aerial engagements in which the Indian Air Force acquitted itself with honour. Indian Gnats took on Pakistani Sabrejets and were able to give a good account of themselves. The India Air Force was also successful in knocking out quite a few Pakistani tanks by action from the air.

Despite the heavy loss suffered by the Pakistani army which resulted in holding it up for sometime, Pakistani forces pressed on and on 5 September they had captured Jaurian and were approaching Akhnoor.

It was now felt by army authorities that the only way to deal with the Pakistan offensive was to launch an attack on other fronts and thus force the Pakistani army to divert its units from the Akhnoor sector. In accordance with this strategy the Indian army launched a three-pronged drive on the Lahore sector and opened another front in the Sialkot sector also. In the Lahore sector one of the prongs of the Indian offence was on the Wagah border, the second on the Khalra-Barki axis and the third along the Khem Karan-Kasur axis. The objective of all the units in this sector was to get to the East bank of the Ichhogil Canal and to destroy as much Pakistani armour as possible so as to relieve the pressure on the Chhamb-Akhnoor sector.

The Ichhogil Canal had been heavily fortified by the Pakistani army command and served as a formidable line of defence for West Pakistan.

Just as India's offensive was launched on 6 September an attempt was made to destroy our airfields with the help of paratroopers. Groups of these paratroopers were dropped near Indian airfields at Ambala, Pathankot, Adampur and Halware. This move, however, proved abortive and the majority of the paratroopers were captured in a few days' time. Earlier on 5 September a PAF sabrejet had attacked anti-aircraft installations near Amritsar.

Meanwhile Indian army units advancing swiftly moved towards the East bank of the Ichhogil Canal. From then onwards until the cease-fire the main battles were fought between the Ichhogil Canal and the border. Pakistani army launched a number of counter attacks to stem the Indian offensive but were not able to drive our units from the East bank of the Ichhogil Canal. The key village of Dograi on the East bank of the Ichhogil Canal changed hands a number of times but was firmly in Indian hands at the time of the cease-fire.

One of the most important engagements took place in the Khem Karan sector where a large number of American-gifted Pattons found their graveyard and proved ineffective against our less sophisticated Shermans and Centurians. Indian tanks and Indian artillery brilliantly deployed by our unit Commanders created havoc with the Pakistani armour.

Apart from the Lahore and Sialkot sectors the Indian army had started operations on another front across the Rajasthan-Sind border. Indian army units captured Gadra town six miles within Pakistan and were heading towards Kholrapur to strike at the strategic rail route to Hyderabad (Sind).

Meanwhile diplomatic activity was continuously going on in the UN. UN Secretary General, U Thant, had appealed for a cease-fire as early as 2 September. India had declared that she was prepared for a cease-fire provided Pakistan withdrew her troops from Indian territory in the Chhamb sector. On 3 September U Thant made a report to the Security Council whereupon the Security Council adopted a resolution asking both India and Pakistan "to take forthwith all steps for an immediate cease-fire". On 6 September, the Security Council again adopted a resolution "noting with deep concern the extension of the fighting which adds immeasurably to the seriousness of the situation" and calling upon the parties to cease hostilities immediately and withdraw all armed personnel back to the positions held by them before 6 August 1965.

Till this time, however, Pakistan suffering from an exaggerated sense of confidence in the strength of its army and hoping to achieve a quick victory had refused to listen. By 20 September when the Security Council adopted another resolution (See Appendix) demanding a cease-fire to take effect on Wednesday, 22 September 1965 at 7 A.M. (GMT), the situation had radically changed. President Ayub had realised that far from securing a quick victory Pakistan had suffered a number of major reverses and any prolongation of hostilities would lead to further disaster. Accordingly, Foreign Minister Mr. Bhutto announced at midnight on 22 September Pakistan's acceptance of the cease-fire proposal.

The Security Council extended till 23 September the deadline for the implementation of the resolution.

Thus the curtain was dropped on the hectic, intensive, Twenty-two Day War.

It is worth recounting that during this war China gave full moral and diplomatic support to Pakistan apart from the military supplies that it had been giving to the Pakistani Government for some time. On 4 September the Chinese Foreign Minister, Mr. Chen Yi paid a visit to Pakistan and issued a statement in which he fully supported the "just action taken by Pakistan to repel the Indian armed provocation". Subsequently the Chinese Government delivered on 17 September an ultimatum to the Indian Government in which a demand was made that India should dismantle defence installations which they alleged were located on their side in Tibet across the Sikkim border. Allegations were also made that some of their cattle had been lifted by Indian troops. Later the ultimatum was extended by another 72 hours. To back up this ultimatum the Chinese resorted to firing at Indian border posts both in Sikkim and Ladakh. However, as the cease-fire took place shortly afterwards the Chinese Government probably thought it better not to pursue the matter.

Another significant development in this period was the decision of the U.S. Government taken shortly after the outbreak of hostilities between India and Pakistan in September to suspend all aid to India as well as Pakistan. While aid to Pakistan was resumed shortly after the Tashkent Agreement the aid freeze in the case of India continued much longer. In fact the U.S. Government made it clear that before resumption of aid could even be considered devaluation was necessary. Even after India devalued the rupee on 6 June 1966 hopes of aid on a long-term basis proved illusory. While credits were offered for imports from the U.S.A., the U.S. Government indicated that it was not its policy to make long-term aid commitments and that aid could be given from year to year. Aid from U.S.A. has been tapering off fairly steadily since then and was again completely stopped as soon as the operations in Bangladesh started in December 1971.

The Indo-Pakistan conflict of September 1965 ended with the Tashkent Agreement of January 1966. The Tashkent Agreement to which both President Ayub of Pakistan and Prime Minister Shastri of India were signatories was reached as a result of the efforts made by the Soviet Prime Minister Mr. Kosygin who had arranged the meeting of the two powers at Tashkent. The Agreement declared that by 25 February 1966 all armed personnel of the two countries would be withdrawn to the positions they held prior to 6 August 1965. On the Kashmir question there was clearly no scope for agreement in view of the divergent

views held by the two countries and the Tashkent Agreement therefore merely stated that "the interests of the peoples of India and Pakistan were not served by the continuance of tension between the two countries. It was against this background that Jammu and Kashmir was discussed and each of the sides set forth its respective positions". Other clauses in the Agreement referred to the need for restoring normal and peaceful relations between the two countries, affirmed the resolve of both countries to discourage any propaganda directed against the other country and also referred to the need for efforts for restoration of economic and trade relations, communications as well as cultural exchanges between India and Pakistan.

Hopes that the Tashkent Agreement would usher in an era of peaceful relations between the two countries were belied by subsequent events. The military junta of Pakistan continued to hatch plans of further aggression against India and continued its campaign of hatred and subversion.

The curtain was however not to rise on the next Act of the Drama until the year 1971 when conflict broke out again between the two countries. This we shall take up in another chapter.

APPENDIX TO CHAPTER IV

(The text of the UN Security Council's Resolution dated 20 September 1965 that called for a cease-fire to the fighting between India and Pakistan.)

THE SECURITY COUNCIL, having considered the reports of the Secretary-General on his consultations with the Governments of India and Pakistan, commanding the Secretary-General for his unrelenting efforts in furtherance of the objectives of the Security Council's resolutions of September 4 and 6,

Having heard the statements of the representatives of India and Pakistan,

Noting the differing replies by the parties to an appeal for a cease-fire as set out in the report of the Secretary-General (S/6683), but noting further with concern that no cease-fire has yet come into being,

Convinced that an early cessation of hostilities is essential as a first step towards a peaceful settlement of the outstanding differences between the two countries on Kashmir and other related matters,

1. Demands that a cease-fire should take effect on Wednesday, September 22, 1965, at 7 a.m. GMT (12-30 p.m. IST) and calls upon both Governments to issue orders for a cease-fire at that moment and a subsequent withdrawal of all armed personnel back to the positions held by them before August 5, 1965,
2. Requests the Secretary-General to provide the necessary assistance to ensure supervision of the cease-fire and withdrawal of all armed personnel,
3. Calls on all States to refrain from any action which might aggravate the situation in the area,
4. Decides to consider as soon as operative Paragraph One of the Council's Resolution 210 of September 6 has been implemented, what steps could be taken to assist towards a settlement of the political problem underlying the present conflict and in the meantime calls on the two Governments to utilise all peaceful means, including those listed in Article 33 of the Charter to this end,
5. Requests the Secretary-General to exert every possible effort to give effect to this resolution, to seek a peaceful solution, and to report to the Security Council thereon.

Chapter V

TREMORS OF INSTABILITY—1966/1970

The death of Mr. Nehru on 27 May 1964 removed from the scene the last of the illustrious leaders who had constituted the top leadership of the Congress in pre-independence days. After the death of Mahatma Gandhi and later of Sardar Patel and Maulana Azad, Mr. Nehru had been the one great figure that kept the faction-riven Congress family together. With his exit it was inevitable that the process of disintegration would gather momentum. In fact many had apprehended that with the death of Mr. Nehru the disintegration would be complete and would come about over the choice of the successor. However, as events showed, the Congress party managed to hold together for some time more and it was only five years later in 1969 that a formal split in the organisation took place. But the activities of the various groups within the Congress were now more open and the task of resolving differences clearly more difficult.

Shortly after the death of Mr. Nehru Mr. G. L. Nanda as the senior-most Minister in the Cabinet was sworn in as Prime Minister by President Radhakrishnan. This was purely a temporary measure as it was obvious that the process of selecting a new leader for the Congress party would require some time. There were a number of names in the field and at first it appeared that there would be a contest for the leadership. Ultimately, however, all the aspirants for leadership agreed with the proposal that Mr. Kamaraj as the Congress President should try to find out the consensus and that this would be accepted by all. After obtaining the views of Congress members of Parliament Mr. Kamaraj announced that the majority had favoured Mr. Lal Bahadur Shastri. The election that ultimately took place was, after this, a mere formality. Mr. Shastri's name was proposed by Mr. G. L. Nanda and seconded by Mr. Morarji Desai who had himself been a serious contender. When Mr. Shastri's Cabinet was announced it included the name of Mrs. Indira Gandhi but excluded that of Mr. Desai. Mr. Desai, it appeared, had declined to serve if he was not considered number two in the Cabinet—a position which Mr. Shastri decided to give Mr. Nanda. Mr. Shastri died on 10 January 1966, a few hours after the signing of the Tashkent Agreement. The problem of finding a successor again came up. Mr. Kamaraj was the key figure this time too in the move to find a successor. A unanimous election did not, however, prove possible on this occasion.

Mrs. Indira Gandhi was the choice of the Congress President, Mr. Kamaraj, but Mr. Desai refused to withdraw. In the contest Mrs. Gandhi won by a large margin, polling 355 votes as against Mr. Desai's 169. However, the party was clearly divided. Mrs. Gandhi was still to find her feet as the leader of the party and differences developed between her and Mr. Kamaraj.

The general election, the fourth since the coming of independence, was due in 1967. To understand the rather serious setback suffered in this election by the Congress one must recall the events that preceded it. The war with Pakistan in 1965 had been a severe strain on Indian economy. The aftermath of the war was in a sense even more serious. The aid freeze declared by the USA as soon as the war broke out continued for quite some time after the war had ended. Even devaluation resorted to in June 1966 did not succeed in restoring the flow of aid because though the USA gave credits for liberal imports US policies had been undergoing a change and aid from that country was gradually drying up. To add to the woes of the country there was a serious drought for the second year in succession. Food production had dropped sharply in 1965-66 from the previous year's level and in 1966-67 was only marginally higher. The combination of these two factors, the aid freeze and the droughts, helped to bring on one of the most serious recessions that post-independence India has witnessed. This then was the background in which the fourth general elections were held. Apart from the circumstances mentioned above this was the first general election without Mr. Nehru who had like a Colossus bestrode the Indian scene for nearly half a century. His daughter, Mrs. Gandhi, who had just succeeded Mr. Shastri to the Prime Ministership had still to reveal what she was capable of. Despite her ability to draw large crowds she was somewhat of an unknown quantity as a Prime Minister.

The Congress governments in the various States were controlled by organisation men many of whom had lost touch with the masses and got discredited. For the first time the election results revealed a major setback for the Congress party and this marked the beginning of a period of instability that continued right till March 1970. When the Lok Sabha and the State Legislatures met in March-April 1967 the decline in Congress strength was apparent. In the Lok Sabha the Congress which had been dominating the country ever since the dawn of independence secured 281 seats only out of 515 for which results had been declared. This gave it a majority of 47 only as against the majority of 123 it had enjoyed in the previous House. In the State Assemblies, the Congress tally in 1967 was 1,690 out of a total of 3,339. This was in sharp contrast to the 1,759 seats it had won in the State Assemblies out of 2,842 in the 1962 general elections. Even more significant was the fact that in as many as eight of the 16 States and in the Union terri-

tory of Delhi, the capital city, the Congress failed to secure an absolute majority. In Kerala the Congress secured only nine out of a total of 133 seats. The major party in the Kerala Assembly was the CPI(M) with 52 seats. In Delhi the other place where Congress met with disaster it was able to secure only 19 seats out of a total 56 as against the Jan Sangh which, with 33 seats, emerged with an absolute majority. In Madras State the Congress with 49 seats trailed far behind the DMK which with 138 seats out of 234 secured an absolute majority. Thus, with the Congress having lost power in more than half the States and having a slender majority of 47 only in the Lok Sabha it was clear that the country was in for a period of instability.

The next few years saw rapid changes in State Governments. This was the period of frequent floor-crossings when defectors had a field day and political standards descended to their lowest levels. In most of the States it was impossible to predict which Government would be in power the next day and which side of the House a particular MLA would belong to a few hours after. Instances were recorded of members of the Legislature who shifted their loyalties as many as three times during the course of a single day.

Although till 1969 the Congress continued to have a majority in the Lok Sabha it was clear that a crisis was brewing for the Congress even at the All-India level. On the issue of the Presidential election the opposition parties came together and by jointly sponsoring a candidate, Mr. K. Subba Rao, who had been the Chief Justice of India, were able to present for the first time a strong challenge to the official Congress candidate Dr. Zakir Husain. Although Dr. Husain polled 4.7 million votes against Mr. Subba Rao's .36 million votes, the show put up by the opposition was quite impressive.

The position in the States was far more disturbing. Frequent changes of Government virtually brought the administration to a standstill in many parts of the country. Shortly after the general elections non-Congress Governments were formed in six States where the Congress had been reduced to a minority in the Assemblies. In Madras (Tamil Nadu) where the DMK had won an absolute majority a single party Government came to power. This Government continued in office right till the fifth general elections held in 1971 when the DMK was again returned to power. For some time a formal alliance between the DMK, the Congress (R) led by Mrs. Indira Gandhi and the CPI functioned but recently the Congress and the CPI have withdrawn from the alliance. With DMK's absolute majority in the Assembly, however, there is no immediate threat to the stability of the Tamil Nadu Government. In Kerala a seven party coalition headed by the CPI(M) took over the reins of administration in 1967. Shortly after assuming power, however, conflicts

developed within the parties constituting the United Front Government. One group of parties led by the CPI clashed on a number of policy issues with the major party, the CPI(M). The group of parties in opposition to the CPI(M) accused the latter of using the administrative machinery to further its party interest. Ultimately after considerable wrangling the Chief Minister, Mr. E. M. S. Namboodripad, submitted his resignation on 24 October 1969. After a brief spell of President's Rule a new Government was formed with Mr. C. Achutha Menon, CPI leader, as the Chief Minister. The Congress declared its support to the Ministry and a number of other parties who had been in the United Front coalition participated in the new coalition Government formed under Mr. Achutha Menon's leadership. This position continued till September 1970 when a mid-term poll was held in the State. The CPI-led front entered into an electoral alliance with the Congress led by Mrs. Gandhi and the Congress (R) and the CPI-led front together between them secured a total of 70 seats and thus had a sufficient majority to form a new Government. CPI(M) secured only 28 seats and the other parties supporting it also did not get more than 10 seats. In the beginning the Congress (R) supported the CPI Government from outside but subsequently it agreed to join the Government.

The events in Kerala although they belong to one of the smallest States in India have a considerable political significance. Kerala was an experimenting ground for the new political pattern that was to emerge in 1971, viz., the alliance of the Congress (R) and the CPI. Kerala was also an indicator of the changed political climate in the country and showed that the anti-Congress wave that had begun to gather strength in the late sixties and reached its peak in 1969 had spent itself out by early 1970. The Kerala model was subsequently made use of by the ruling party with necessary local modifications on an all-India scale.

Another State where significant political events, which had implications for the whole of India, occurred was West Bengal. In the 1967 elections the Congress with 127 seats in a House of 280 was reduced to a minority. Although the various other non-Congress parties that were returned to the Assembly had not fought the elections unitedly and had bitterly opposed each other they combined together at the prospect of power and formed a United Front Government. The Chief Minister of this Government was an ex-Congress leader, Mr. Ajoy Mukherjee, belonging to a breakaway group from the Congress but the main force in this Government was the CPI(M). The United Front Government was rent by internal strife from the very beginning and when some MLAs supporting the Front defected, it appeared to have lost its majority in the Assembly. Without waiting, however, for a trial of strength in the Assembly the Governor dismissed the United Front Ministry. A new Government headed by Dr. P. C. Ghosh was formed but after a few months a consti-

tutional deadlock was reached and West Bengal came under President's Rule on 1 February 1968. A mid-term poll was held in February 1969 in which the United Front was returned to power with a massive majority. The Government was again headed by Mr. Ajoy Mukherjee but Mr. Jyoti Basu, Deputy Chief Minister, by virtue of being the leader of the largest party in the United Front had the controlling voice in the Government. The United Front, however, again got bogged down as a result of internal strife and conflict and within a year of assuming office the Chief Minister submitted his resignation and shortly afterwards on 19 March 1970 President's Rule was proclaimed.

Polling for the West Bengal State Assembly was held along with the Lok Sabha election in March 1971. The election results revealed that no party had a clear majority. The CPI(M) emerged as the largest party with 111 seats in a House of 280. Even with its allies it could not muster the support of more than 123. The Congress (R) staged an impressive come back with 105 seats as against 38 held by it in the previous House. Another group of left parties led by CPI secured only 23 seats. The Muslim League with 7 seats became an important balancing force in the Assembly. Ultimately a six-party coalition with Mr. Ajoy Mukherjee of Bangla Congress as Chief Minister was installed in office by the Governor. The CPI and Forward Bloc lent support to the Government from outside. As it had only a precarious majority it was not able to survive and President's Rule was again proclaimed. This position continued till the general elections of 1972 when a Congress-CPI alliance secured an overwhelming majority and a Congress Government was formed with the CPI supporting it from outside. The interregnum between 1967-72 was therefore, marked by serious instability and uncertainties in West Bengal. This had the effect of bringing about a virtual breakdown of law and order in the State and a considerable slowing down of the tempo of economic development.

In many of the other States struggles for power continued but as the factional groupings within the States involved parties and individuals of local importance only it is not necessary to recount the detailed story of the numerous changes of Government that took place until stability was finally restored in the general elections of 1972.

On an all-India plane the event of crucial importance was the split in the Indian National Congress that took place in 1969. This marked such a major turn in the political situation of India and has had repercussions of such far reaching consequences that the circumstances leading to the split and the developments thereafter need to be recorded in detail.

On 3 May, President Zakir Husain died and Vice-President V. V. Giri was sworn in as acting President:

The Congress top was divided over the selection of the candidate for the Presidential election, scheduled on 16 August. During the AICC session held at Bangalore in the second week of July the Congress Parliamentary Board nominated with a slight majority the Speaker of the Lok Sabha, Mr. Sanjiva Reddy, as its nominee, against the vehement opposition of the Prime Minister.

On 13 July, Congress President Mr. S. Nijalingappa announced the candidature of Mr. Reddy. On the same day Mr. Giri also proclaimed his intention to contest the Presidential election as an independent candidate.

The Bangalore session of the AICC also discussed an Economic Note sent by Mrs. Indira Gandhi and on its recommendations adopted a resolution recommending the nationalisation of banks.

On 15 July, the Prime Minister, without prior consultation with Mr. Morarji Desai, who was then the Deputy Prime Minister and Finance Minister, took away from him the Finance portfolio. Mr. Desai immediately sent in his resignation in protest.

On 19 July the Prime Minister, who had assumed the charge of the Finance Ministry, had an ordinance issued for the nationalisation of the 14 largest private Indian banks in the country which in aggregate accounted for over 70 per cent of the banking business. Simultaneously, Mr. Desai's resignation was accepted.

On 4 August, the Lok Sabha passed the bank nationalisation bill. This was soon challenged in the Supreme Court.

On 20 July Mr. Giri resigned from his post as the acting President of India in order to campaign for his candidature in the Presidential election. In the absence of any Vice-President, the Chief Justice of India, Mr. Hidayatullah, assumed charge as the acting President according to a new constitutional provision hurriedly passed by Parliament.

Though, following the Congress Parliamentary Board's decision, the Prime Minister had in the meantime signed the nomination papers for Mr. Sanjiva Reddy as one of the proposers, she refused to campaign for him actively or to issue a mandate to the members of the Congress Parliamentary Party to vote for him.

On the contrary, two of her Cabinet colleagues, who had all along sided with the Prime Minister in her opposition to Mr. Reddy's candidature wrote to the Congress President on 11 August demanding the right for the Congress voters to vote according to conscience. The same right was also demanded by the Prime Minister on the next day, i.e., 12 August. They also objected to what they characterised as the Congress

President's liaison with the Swatantra Party and Jan Sangh for gathering support to Mr. Reddy. This move, they alleged, was a conspiracy against Mrs. Indira Gandhi intended to oust her from office and instal a new Government with the support of right wing parties.

As the polling day approached, the Indian National Congress clearly appeared as a house divided against itself and two camps emerged—one working for the official candidate, Mr. Reddy and other for Mr. Giri.

The polling was held on 16 August.

Though there were 15 candidates in the field, the real contest was among three candidates, Mr. Giri, Mr. Reddy and Mr. C. D. Deshmukh, a former Governor of the Reserve Bank of India and a former Union Finance Minister, who had been jointly put up by the Swatantra Party, Jan Sangh and the Bharatiya Kranti Dal (BKD).

The election results were announced on 20 August.

Mr. V. V. Giri, who secured votes valued at 420,077, won with a narrow majority against Mr. Sanjiva Reddy's 405,427.

The third candidate, Mr. C. D. Deshmukh, got first preference votes valued at 112,769.

All the other candidates got an aggregate of votes valued at 8,505 only.

Under the provisions of the Constitution, the winning candidate has to secure a majority of the total value of the votes polled ; the value of each vote being determined by a prescribed formula.

The results to the Presidential election were announced after a count of the second preference votes, as none of the candidates received the requisite votes of 418,169 in the first count though Mr. Giri's lead over Mr. Reddy in the first count was 87,967.

Mr. Giri got support from 11 States and they were Andhra Pradesh, Bihar, Haryana, Jammu and Kashmir, Nagaland, Orissa, Punjab, Tamil Nadu, Uttar Pradesh, West Bengal and Kerala.

The Congress candidate's main support came from Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Mysore and Assam.

In Parliament also, Mr. Giri received the support of the majority of the members. His votes gathered from the States as well as from Parliament came to 4,01,515, a lead of 87,967 over his nearest rival, Mr. Reddy.

In spite of this big margin, Mr. Giri was 16,654 votes short of the requisite majority of the total votes polled. The counting of second

preference votes of the other candidates then began. And in the final count, Mr. Giri got 18,562 second preference votes.

Table below gives the votes secured by the major candidates in terms of value. .

First Preference Votes

	States	Parliament	Total Value
Mr. Giri	194,731	206,784	401,515
Mr. Reddy	159,180	154,368	313,548
Mr. Deshmukh	54,593	58,176	112,769
Others	5,049	3,456	8,505

Second Preference Votes

Mr. Giri	18,562
Mr. Reddy	91,879

Mr. V. V. Giri assumed office as the President of India on 24 August His election was challenged in the Supreme Court but eventually the Court in its judgment upheld the election.

In the meantime, the ruling party in the country, the Indian National Congress, had advanced quite far along the road to a split.

Within 48 hours of the Presidential poll, the Congress President, Mr. Nijalingappa had demanded a formal explanation from the Prime Minister and two of her closest Cabinet colleagues, Mr. Fakhruddin Ali Ahmed and Mr. Jagjivan Ram regarding their conduct in the election campaign. Though subsequently, meeting on 25 August, the Congress Working Committee stopped short of an open split by agreeing to a patchwork peace, evolved through two compromise resolutions, the crisis again flared up when on 31 October Mr. Nijalingappa wrote to Mr. Fakhruddin Ali Ahmed and Mr. C. Subramaniam shortly before midnight that they were no longer members of the Congress Working Committee.

The Prime Minister's camp retaliated by submitting a requisition demanding a special session of the AICC to discuss the conduct of the Congress President.

Though in the next phase there were repeated moves for patching up the differences including efforts made by powerful Congress Chief Ministers from the States, the situation inexorably drifted towards a parting of ways.

On 12 November the Congress Working Committee finally formalised the split by expelling the Prime Minister, Mrs. Indira Gandhi, from the organisation. The Committee at the same time directed the Congress Party in Parliament to elect a new leader.

On the next day the Congress Parliamentary Party met in two parts, the larger part meeting under the chairmanship of the Prime Minister expressed the party's "full confidence" in her leadership.

This was followed by some resignations and dismissals from the Union Cabinet.

Dr. Ram Subhag Singh, the Minister for Parliamentary Affairs, Mr. J. L. Hathi, the Labour Minister and Mr. C. M. Poonacha, Minister for Steel and Heavy Engineering tendered their resignations from the Cabinet. A few junior members of the Council of Ministers were asked by the Prime Minister to resign.

Mr. Nijalingappa's supporters claimed and received recognition as a separate party in Parliament. Mr. Morarji Desai was elected the Chairman of this Parliamentary Party. The two floor leaders were Dr. Ram Subhag Singh in the Lok Sabha and Mr. S. N. Mishra in the Rajya Sabha. The latter two were also recognised as the Leaders of the Opposition in the respective Houses as for the first time in the Indian Parliament they had the requisite strength for formal recognition. Their strength in the Lok Sabha was 54 and in the Rajya Sabha 36.

The first trial of strength in the Lok Sabha came very soon when on 17 November 1969, the adjournment motion on the Rabat developments came to be voted upon. At Rabat an Islamic Conference had been held where India had suffered humiliation. After having received an official invitation to attend the Conference the Indian delegation which arrived in Rabat was debarred from attending and had to return to the country. The Government, thanks to the support of the two Communist Parties, the DMK and the majority of the Independents, was able to defeat the motion by a sizable margin—the votes being 306 to 140. Dr. Ram Subhag Singh's party received the support of the Swatantra Party, Jan Sangh, SSP and some PSP members. This set the pattern for the alignment in Parliament in the next phase.

In this phase, the Prime Minister's wing held the requisitioned session of the AICC in Delhi on 22 November. The session removed Mr. S. Nijalingappa from the Presidentship of the organisation and elected Mr. C. Subramaniam as the interim President. The sponsors claimed that 440 of the 705 elected AICC members attended the session.

The process of split reached its climax when in the closing days of 1969, two rival sessions of the Indian National Congress were held. One session met at Gandhinagar near Ahmedabad under the Presidentship of Mr. S. Nijalingappa and the other in Bombay under the Presidentship of Mr. Jagjivan Ram.

The position as it emerged in Parliament after the Congress split

	Lok Sabha	Rajya Sabha
Congress (R)	225	88
Congress (O)	63	42
Swatantra Party	35	13
Jan Sangh	33	15
DMK	24	7
CPI	24	9
CPI(M)	19	8
SSP	17	8
PSP	15	5
BKD	10	3
Speaker	1	
Independent Parliamentary Group	25	
Independents	30	41
Vacancies	2	1
	—	—
	523	240

After having shaken off the forces which had apparently been inhibiting her from working out policies to her liking, Mrs. Gandhi charted out a course of development which she has been pursuing steadily since that moment. She herself has described her position as being Left of Centre and this perhaps is as apt a description as any to indicate the nature of her policies. One of the first steps that she took even before the formal split had taken place was to have an ordinance issued nationalising the 14 large private Indian banks in the country. Subsequently other measures have been taken such as the abolition of Privy Purses and the nationalisation of General Insurance and a number of other private companies. Mrs. Gandhi's political stance was expressed in the election slogan which formed the main plank of her campaign for the Lok Sabha elections of 1971—"Garibi Hatao" or "End poverty".

The adoption of these economic measures, spectacular as they were, could not by themselves end the stagnation in the economy which continued to depress living standards. The slogan of Garibi Hatao on the other hand was a two edged sword. It helped to win popularity

but it also roused expectations which if not fulfilled could boomerang on the ruling party.

Nevertheless, there is little doubt that the adoption of this approach and a simultaneous organisational strategy, of removing from the Congress some of those leaders who in the popular mind had become identified with the *status quo* has tremendously helped the ruling Congress to regain mass popularity. The phenomenal success that Mrs. Gandhi has had ever since then on every issue that she has tackled has gradually added to her charisma and enabled the Congress to stage a come back both in the Lok Sabha and in the State Assemblies. The year 1971 when an early election was held in the Lok Sabha (the election was not due till 1972) and in which Mrs. Gandhi's party was returned to power with a two-third majority thus marks the end of the period of instability.

Chapter VI

EMERGENCE OF BANGLADESH

Shortly after the elections to the Indian Lok Sabha in March 1971 and the return to power of Mrs. Indira Gandhi by an overwhelming majority, events across the Indian borders threatened to mar the prospects of the period of peaceful progress that had opened out for India. The background to these events was provided by the situation that arose in Pakistan following the ouster of President Ayub Khan and the rise to power of another General, General Yahya Khan. General Yahya Khan tried to create an impression by promising that a general election would be held to set up a National Assembly as well as Provincial Assemblies. For the first time this election, it was declared, would be held on the basis of adult franchise and it was promised that after the elections General Yahya Khan would hand over power to the elected representatives of the people and restore democracy. Elections were, in fact, held throughout Pakistan towards the end of 1970 but the results were so startling that they upset the calculations of the rulers of Pakistan. General Yahya Khan had evidently banked on divisions in East Bengal which would prevent the Bengali representation in the National Assembly from being effective and would enable General Yahya Khan to impose a constitution of his own choice. Actually, however, the Awami League of Sheikh Mujibur Rahman swept the polls winning 167 out of 313 seats in the National Assembly and 291 out of 310 seats in the East Pakistan Assembly. The massive mandate given by the people of East Bengal to Sheikh Mujib was an expression of their bitter hatred against the rulers of West Pakistan who had reduced East Bengal to a colony. Although Sheikh Mujib contested the elections on a six point programme of autonomy the people realised that he was the representative and spokesman of Bengali nationalism and therefore reposed their full confidence in him.

Faced with this situation the rulers of Pakistan played for time while making all preparations for suppressing the revolt of the East Bengal people with the help of the army. General Yahya Khan stated that he would respect the verdict of the people and even referred to Sheikh Mujib as the future Prime Minister of Pakistan. In referring to Sheikh Mujib as the future Prime Minister, General Yahya Khan was doing no more than accepting the reality represented by the election results. With an absolute majority in the National Assembly Sheikh

Mujib had the right to be asked to form a Ministry for the whole of Pakistan. But General Yahya Khan hesitated for a long time to set a date for the summoning of the National Assembly. Finally, after setting a date, 1 March 1971, for the holding of the National Assembly and declaring that it would be held in Dacca General Yahya Khan on the eve of the Assembly session suddenly deferred the calling of the Assembly for an indefinite period. There is little doubt that Mr. Z. A. Bhutto had an important role to play in this. He had earlier threatened that he would boycott the Assembly if it was summoned without conceding his demands. The reaction in East Bengal to the announcement of deferment was immediate and overwhelming. Answering to a call by Sheikh Mujib there was a complete general strike and hartal throughout East Bengal and the entire administration was paralysed. The overwhelming support that Sheikh Mujib enjoyed in East Bengal was strikingly brought out by the refusal of the Chief Justice of East Pakistan to administer the oath of office to General Yahya's nominee General Tikka Khan as the Governor of East Pakistan.

General Yahya Khan evidently still needed some time to complete his preparations and he therefore made a pretence of resuming negotiations with the Awami League. Flying to Dacca with some of his aides he began discussions with Sheikh Mujib. Mr. Z. A. Bhutto as leader of the largest party in West Pakistan was also invited to participate in these talks. As later events showed these talks were only a cover to gain time during which the troops that were to carry out the general massacre of the people of East Bengal could arrive in Chittagong and take up positions throughout the country. On 25 March 1971, even as rumours were being deliberately conveyed to the world press and news agencies of an impending settlement, orders were issued for a total crackdown of the army against the people of East Bengal. General Yahya Khan, Mr. Bhutto and other West Pakistani leaders flew out of the country. Soon after a reign of terror was unleashed on the people of East Bengal. Sheikh Mujib and many other leaders of the Awami League were arrested.

The immediate response of the people of East Bengal was to declare complete independence and set up a provisional Government of the People's Republic of Bangladesh. Steps were taken to organise the resistance and start large scale guerilla warfare throughout Bangladesh.

The war of annihilation unleashed by the military junta of West Pakistan in Bangladesh resulted in the massacre and uprooting of millions of Bengalees in East Bengal. The exact number will probably never be known but estimates vary from one to three million. The latter represents Sheikh Mujib's own estimate and is probably nearer the mark.

The impact on India was immediate and many sided. The operations of the Pakistani army so close to our border threatened our security. The exodus of millions of people who streamed into West Bengal, Tripura, Assam and Meghalaya from East Bengal posed a problem of keeping alive and giving shelter to a vast population which ultimately swelled to ten million which was larger than the population of many states in the world. This influx of refugees unprecedented in world history strained India's resources to the utmost. In keeping with her age-old humanitarianism India gave them food, clothing and shelter incurring an expenditure of more than 20 million of rupees per day. While Pakistan continued to insist that this was an internal affair of that country, in reality it had turned into an economic aggression against India. For eight months India patiently bore the burden of the refugees and tried to arouse the conscience of the world so that they may bring pressure on Pakistan to create conditions for the safe return of these millions of refugees. That India was interested in the whole affair mainly from the point of view of its effects on this country and did not want to make political capital out of it by insisting on the break up of Pakistan is demonstrated by India holding back the recognition of the Bangladesh Government till as late as 6 December, three days after the war with Pakistan broke out. Prior to that India was keeping the door open for a negotiated settlement which could have been within the framework of one Pakistan. Although many countries of the world did express their concern and some even tried to bring pressure to bear upon Pakistan, unfortunately a few powerful countries continued to give their backing to the military junta of Pakistan and thus aided and abetted the rulers of Pakistan.

For eight months the valiant Mukti Fouz—later Mukti Bahini—offered heroic resistance to the brutal soldiers of West Pakistan who were ravaging Bangladesh. Seeing that eight months of savage repression and genocide against the people of East Bengal had failed to cow them down and realising from the rising tempo of Mukti Bahini activities that defeat and humiliation were in wait the military leaders of Pakistan decided to provoke India into a war hoping thereby that this would turn the dispute with the people of Bangladesh into an international issue and that with the aid of some of their powerful friends abroad they would be able to gain their objectives. The West Pakistan army therefore started shelling and raiding the Indian areas bordering Bangladesh. India continued to observe restraint and confined herself to beating back the raiders and silencing the guns across the border.

On 3 December 1971, however, General Yahya Khan like a desperate gambler making his last throw attacked Indian airfields in Kashmir, Haryana, Tripura, Punjab, U.P., Rajasthan and Gujarat. The following

day a formal declaration of war against India was made by General Yahya Khan.

This was the beginning of a 14 day war, the fourth in the series of Indo-Pakistan wars since independence and the one that was fought on the largest scale. India had now only one course open to her—to resist the aggression with all her might and also to help the people of Bangladesh to liberate themselves from the yoke of West Pakistan. This action alone would enable the ten million refugees on Indian soil to return to their homelands. Shortly after the Pakistani attack on India Mrs. Gandhi in a broadcast to the nation stated the position of the Government of India clearly.

"I speak to you at a moment of great peril to our country and our people. Some hours ago, soon after 5-30 P.M. on 3 December Pakistan launched a full scale war against us. The Pakistani Air Force suddenly struck at our airfields at Amritsar, Pathankot, Srinagar, Avantipur, Uttarla, Jodhpur, Ambala, and Agra. Their ground forces are shelling our defence positions at Sulaimanki, Khem Karan, Poonch and other sectors.,

"Since last March we have borne the heaviest of burdens and withstood the greatest of pressures in a tremendous effort to urge the world to bring about a peaceful solution and prevent the annihilation of an entire people whose only crime was to vote democratically. But the world ignored the basic causes and concerned itself only with certain repercussions.

"The situation was bound to deteriorate. A courageous band of freedom-fighters have staked their all in defence of the values basic to our way of life.

"Today a war in Bangladesh has become a war on India. This imposes on me, my Government and the people of India great responsibility. We have no other option but to put our country on a war footing. Our jawans and forces are mobilised for the defence of the country. Emergency has been declared for the whole of India. Every necessary step is being taken.

"We are prepared for any eventuality. I have no doubt that by the united will of the people the wanton and unprovoked aggression of Pakistan should be decisively and finally repelled. In this the Government has been assured of full and unflinching support of all political parties and every Indian citizen.

"We must be prepared for a long period of hardship and sacrifice. We are a peace-loving people but we know that peace cannot last if we do not guard our freedom, our democracy and our way of life.

"So today we fight not merely for our territorial integrity but the basic ideals which have given strength to this country and on which alone we can progress to a better future. Aggression must be met and the people of India will meet it with fortitude and determination, with discipline and the utmost unity."

In a brilliant action lasting 14 days the Indian army, air force and navy liberated Bangladesh and forced the Pakistani troops holding out in Dacca Cantonment to surrender. They also succeeded in pushing back a number of thrusts made by the Pakistani army in Punjab, Jammu and Kashmir and in occupying strategic points in West Pakistan along a wide front ranging from the cease-fire line in Kashmir to the Rajasthan desert. Some of the notable features of this campaign were the complete superiority established by our air force on both the eastern and the western fronts. On the eastern front within two days of the starting of operations Pakistani squadrons had been completely wiped out and the Indian air force was able to operate without any resistance. On the western front too our Gnats, Hunters and Migs proved more than a match for the Sabrejets and the Mirages of Pakistan just as in the 1965 conflict our tanks had proved superior to the Pattons of Pakistan even though the latter are of much more sophisticated design.

Another feature of this conflict was the brilliant action of our naval units. For the first time in post-independence India's history our Navy went into action and scored major victories. On the one hand they organised an extremely effective blockade of Chittagong and Khulna ports thus bottling up Pakistani gun boats and preventing any assistance from reaching Pakistani units in Bangaldesh by the sea route. On the other they organised daring actions at other points. On the night of 3/4 December the Pakistani submarine Ghazi which had been transferred to Pakistan by the U.S. Navy was destroyed and sunk off Visakhapatnam. Though the action took place on the opening day of the war the announcement was made only on 9 December as conclusive evidence of our success was obtained as late as 8 December when the bodies of some of the Pakistani submarine crew were picked up and from papers found floating it was clearly established that the sunken ship was the Pakistani submarine Ghazi. On 5 December one of the most daring actions of the war was carried out by the Navy when they sailed within 20 miles off Karachi harbour, attacked destroyers of the Pakistani Navy, sinking two of them. They also shelled installations of the Karachi harbour causing extensive damage. The only major loss suffered by the Indian Navy during the 14 days of war was the Frigate Khukri.

The third significant feature of the war was the well co-ordinated action of all the units of our defence forces, the army, the navy and the air force and the brilliant strategy of the army command on the

eastern front which achieved the surrender of heavily fortified cantonments equipped with some of the most modern installations by a series of bypassing manoeuvres. The swift advance of the Indian army into Bangladesh and the way the units of the army surrounded Dacca creating a desperate situation for the Pakistani army will remain one of the classics of military warfare. Indian army commanders have acknowledged that the rapid advance of Indian troops in Bangladesh would not have been possible and victory would not have been achieved so quickly had it not been for the whole-hearted support of the people of Bangladesh and the effective assistance rendered by the valiant Mukti Bahini of Bangladesh. There is no doubt that it was this joint operation that completely demoralised the Pakistani army and forced them to surrender even though they had the ammunition and other provisions to hold out for a considerable length of time.

Following the surrender of the Pakistani army in Dacca, India declared a cease-fire unilaterally on 17 December thereby demonstrating clearly that its objectives in this war were limited, viz., to push back the aggression on the western front and to help the Mukti Bahini to liberate Bangladesh.

It is necessary to refer to the role of some of the foreign powers in this conflict. India's Prime Minister made her best efforts to avoid the conflict by an appeal to world powers to intervene in time. This, however, did not produce the desired results. While the Soviet Union and some of the countries of Eastern Europe gave full support to India, the USA and China throughout continued to help Pakistan. The Indo-Soviet Treaty of Peace and Friendship signed in August 1971 was a great morale booster for India. It ensured that one of the large powers of the world would support her in achieving her objectives and acted as a deterrent to direct intervention against India by countries like USA and China. While the US stopped aid to India it not only continued to help Pakistan with military supplies it even went back on promises given to India that supplies to Pakistan would be stopped. During the last stages of the war the American Seventh Fleet was asked to leave the Gulf of Tonkin and proceed to the Bay of Bengal and units of this Fleet had in fact reached the Bay of Bengal during the closing stage of the war. Events in Bangladesh moved so swiftly that the Seventh Fleet did not get the opportunity to intervene but there is no doubt that the action of the US Government embittered Indo-US relations.

Shortly after the outbreak of war on 3 December, the UN Security Council began a debate on the issue. The Soviet Union used its veto three times to debar resolutions that would have gone against India from being carried through. It was significant that in the Security Council Britain and France remained neutral throughout which in the circum-

stances was something that went in favour of India. Another very heartening feature was the support given by the world press to the Indian standpoint. Even the US press was highly critical of the US Government's stand. Public opinion in the Western countries including U.K., France, West Germany and U.S.A. was by and large with India despite the fact that the Governments of those countries had a different stand.

India's spectacular victory in this war with Pakistan which all right thinking persons will hope was the last that will ever be fought with that country has been possible because of the wise leadership displayed by India's Prime Minister, Mrs. Indira Gandhi and by the tremendous unity and patriotism of the people of India. From the very beginning there was almost complete unanimity amongst the Indian people on the need for giving aid and support to the freedom struggle of Bangladesh and on the need to give shelter, food and clothing to the millions of refugees who streamed across the border. The superb spirit displayed by the people of the country, its workers and peasants, its businessmen and officials, the people of all communities and castes, of all races and cultures will for ever remain an object of pride for every Indian. The Bangladesh episode has once again revealed the great reserves of courage and heroism that lie in the hearts of the Indian people. It has also revealed once again how despite all our differences and all our diversities we are really one Indian nation. If the events of 1962 had demoralised the people and made them hang their heads in shame, the events of 1971 have given cause to the people to hold up their heads again and reviewed their confidence in themselves and in the Indian nation as a whole.

Chapter VII

INDIA AND THE WORLD

India's relations with the world have been based on her foreign policy the main aspects of which are the policy of non-alignment which really means the pursuit of an independent foreign policy and the avoidance of entanglements with power blocs ; support to the principle of freedom of dependent peoples and opposition to racial discrimination of any form or kind ; co-operation with all peace loving nations and with the UN to promote international peace and prosperity without exploitation of one nation by another.

The basic principles of India's foreign policy were formulated by Mr. Jawaharlal Nehru and in a sense this foreign policy flowed logically from the stand on world affairs taken by the Indian National Congress in pre-independence days. The exact shape of this policy was however naturally dependent on the physiognomy of the world political scene in the post-Second World War period. The concept of non-alignment could only have emerged in a situation where two power blocs had come into being and were engaged in a cold war threatening to develop any moment into a shooting war. The essentials of India's foreign policy therefore represent the attempt to adjust ourselves to the changing world situation in our national interest and in the interest of world peace. While the basic principles of our foreign policy have remained constant since they were first formulated in the years immediately following independence there have naturally been certain shifts and adjustments as the world situation has undergone changes in the course of the last two decades. These modifications and shifts bespeak no inconsistency but are the results of a realistic approach to world affairs.

Broadly India's relations with the rest of the world may be said to have passed through three phases since the coming of independence. The first phase lasted till the year 1954 when the Panch Sheel treaty was signed with China. The next phase beginning with the signing of the Panch Sheel may be said to have continued till September 1962 when China with its perfidious and unexpected attack on our borders dealt a severe blow to and almost succeeded in throwing our foreign policy off the course that had been charted for it. The last phase which began with the massive Chinese attack in 1962 may be said to be continuing. It represents India's response to a situation in which the two

power blocs are moving closer to each other and, with the serious rift between the Soviet Union and China, the pattern of relationships between world powers is undergoing rapid changes.

In the first phase the accent in India's foreign policy was on non-interference. Having just won freedom and being primarily concerned with putting our own house in order we were anxious to avoid entanglements in world affairs. While we supported any movement in favour of independence, while we welcomed the emergence of new independent states and gave them our full moral support we tried not to get too deeply involved in world affairs. Circumstances did on certain occasions force us to get involved, as in Korea, but there our involvement was as a member of the United Nations at least in the beginning. It was only later that we were forced to play a more active role but that was under pressure of circumstances which confronted us with a situation where we could have hardly acted otherwise. In this phase India's foreign policy was sometimes accused of leaning towards the Anglo-American bloc. But it has to be realised that in this period the Soviet Union under Stalin's leadership had not yet adopted a positive approach towards non-alignment and Indian foreign policy was constantly under attack by the Soviet press as being subservient to foreign imperialism. In the absence of any gesture on the part of the Soviet bloc despite India's best intentions to follow a non-aligned course a certain special relationship with countries like the U.K. with which we had natural ties of many sorts was quite understandable.

India's desire to avoid getting involved in conflicts did not however prevent her from taking a keen interest in the national liberation struggles that were going on in various parts of the world. As one of the largest among the dependent countries which had just won freedom, India made no secret of her intention to support those who were struggling for independence against colonial rule. As early as January 1949 a conference of Asian nations met in New Delhi on India's initiative to support the cause of Indonesian independence. Attended by representatives of 15 Asian States the Conference asked the Security Council of the United Nations to take action to stop the Dutch 'Police Action' against Indonesia and demanded complete sovereignty for Indonesia by 1 January 1950.

Later in relation to the Indo-China crisis too, India along with certain other non-aligned nations took the initiative in organising the Geneva Conference as a result of which a cease-fire was agreed to and a settlement on the immediate steps to be taken as a follow-up measure was arrived at. It was in recognition of these efforts that India was made Chairman of the International Commission on Indo-China. As a non-aligned country India proved acceptable to both blocs.

Another occasion when India played a peace-making role was in the Congo affair. Here, in Belgian Congo, the former rulers of the area were trying to stage a come back and dominate a part of Congo. The United Nations decided at one stage to send forces drawn from a number of countries to help Congo and the Indian contingent became one of the biggest constituents of the UN forces.

Indian forces have served under the UN flag in Cyprus and the Middle East, too, playing a peace-keeping role and the participation has not been just formal. In most cases Indian units played a key role.

Understandably India has, in her foreign policy, shown a concern for developments in neighbouring countries. Among those to which India turned her attention shortly after attaining independence was Nepal. Nepal though formally independent had virtually had no relations with the outside world except through India. Internally this country had for long been subject to the rule of a feudal aristocracy, the Ranas, who refused to accept democratisation of the country in any form. When the Nepalese King tried to assert himself and to curb the power of the Ranas, India lent her weight in favour of the King because in the peculiar conditions prevailing in Nepal the liquidation of the Ranashahi was essential for any democratic advance.

With Burma, with Afghanistan and with Ceylon too India has tried to develop friendly relations. In the case of Ceylon the problem has been rendered complex because of the existence of a large minority in the country consisting of people of Indian origin. Repeated negotiations have been held and satisfactory settlements reached on the issue. Thus, although occasionally, tension has developed in the relations between the two countries over this question, by and large relations between Ceylon and India have been cordial. With Afghanistan India has had very friendly relations from the very beginning and the cordiality is particularly great because as with India, Pakistan has been adopting an aggressive and unfriendly attitude towards Afghanistan. Burma has experienced serious internal problems and witnessed a change of many regimes but relations with India have consistently remained friendly.

The Sino-Soviet rift and India's conflict with China have tended to complicate the question of India's relations with countries like Nepal, Burma, Ceylon, Afghanistan some of which happen to be China's neighbours too. With China breathing down their necks some of these countries particularly Nepal and Burma prefer a policy of playing safe and maintaining equidistance between India and China. For slightly different reasons Ceylon too is behaving in the same manner.

India's approach towards some of the questions of foreign policy in the first phase (1948-1954) can best be understood in the words of Mr. Nehru who was the architect of India's foreign policy. Explaining

why in the beginning India did not wish to get involved in the conflicts in other parts of the world Mr. Nehru stated in a speech in the Lok Sabha "Our general approach has been, as far as possible, one of non-interference in the various conflicts in other parts of the world..... When the world is full of tensions and possible conflicts and people's passions are excited, it is a little difficult to look with equanimity at a country which tries not to be entangled in this way and which does not allow momentary passions to govern its actions. So it happens that other countries regard with a certain amount of disapproval a policy which they consider either unwise or weak or a policy of inaction or a policy of some kind of neutrality.

"I have often ventured to point out that the policy we are pursuing was not merely neutral or passive or negative but that it was a policy which flowed from our historical as well as our recent past, from our national movement and from the various ideals that we have proclaimed from time to time. If the House considers other, different but nevertheless comparable countries and situations, it would realise that since India has to guard her newly won independence and solve many problems that have accumulated in the past it becomes inevitable that she should follow a policy that will help as best it can to maintain world peace and also avoid as far as possible, entangling in world conflicts. Whether this is possible or not is another question; how far our influence can make a difference to world forces is still another question. I do not pretend to say that India as she is can make a vital difference to world affairs. So long as we do not solve most of our problems our voice cannot carry the weight that it normally should do. Nevertheless, every little thing counts in a crisis and we want our weight felt and our voice heard in quarters which are for the avoidance of world conflict." (Speech in Parliament, 17 March 1950).

On the issue of Korea which came up in 1950 India supported the UN which took the stand that North Korea was the aggressor. To that extent India was not strictly neutral in this conflict but it needs to be kept in mind that it was the Security Council of the United Nations which took this stand. The Soviet Union at this time was abstaining from attending meetings of the United Nations and a resolution declaring North Korea the aggressor was carried unanimously in the Security Council. Had the Soviet Union not abstained from attending the meeting she could have used her veto and the situation might have been different. But taking things as they really were it was not inconsistent with India's policy to support the action of the United Nations. Mr. Nehru's statement on the subject is relevant in this connection : "The incursion from North Korea into South Korea was brought to the notice of the United Nations and was described by the Security Council as an act of aggression. We supported that decision and gave our vote accordingly. Subsequently,

other developments took place. There was the 'Six Power Resolution' and the 'Seven Power Resolution' but for a variety of reasons, which I think I have placed before the House from time to time, we could not support every step that was taken. Confused and distressed at the situation which was growing more and more difficult, I had the temerity to address an appeal to Marshal Stalin on the one hand and to Mr. Acheson on the other. It was not an attempt at mediation for we have never thought in those terms. I made the appeal in the vague hope that, perhaps, it might result in something positive. The former contained the suggestion that China might be admitted to the United Nations and that the USSR might also return to the Security Council. The fact that we had recognised the People's Government of China naturally implied that, so far as we were concerned, China should be a part of the United Nations. In the context in which I suggested it to Marshal Stalin and Mr. Acheson, however, the emphasis was on its urgency rather than on the rights and wrongs of the matter. We further believed that the situation in the Far East could only be dealt with satisfactorily if the principal parties concerned agreed to sit round a conference table.

"Subsequently, the aggression by North Korea was checked and the North Korean armies pushed back till they seemed to be completely broken. The forces of the United Nations appeared to have won total victory as, indeed, they had. This victory, inevitably, gave rise to certain fundamental questions. Should the forces of the United Nations continue to advance? If so, how far they should go? We consulted our Ambassador in Peking and our representatives in other countries about how the various Governments were viewing the scene. We had, perhaps, a rather special responsibility in regard to China, because we were one of the very few countries represented there. Furthermore, we were the only country, besides the countries of the Soviet group, which was in a position to find out through its Ambassador what the reactions of the Chinese Government to the developing events were. Since we were anxious that the other countries with whom we were cooperating should know these views, we sent them on to the Governments of the United Kingdom and the United States.

"The Chinese Government clearly indicated that if the 38th Parallel was crossed, they would consider it a grave danger to their own security and that they would not tolerate it. Whether their view was right or wrong is not the point. However, it was decided that the forces of the United Nations should advance beyond the 38th Parallel. They did so and came into conflict with re-organized North Korean troops and, at a later stage, with the Chinese forces. The Chinese Government described the latter as volunteers but, according to information received, they were regular Chinese troops. The distinction is not very important; it has little bearing because a large number of these volunteers or

Chinese soldiers—call them what you will—did come across the Manchurian border into North Korea and threaten the UN troops to such an extent that the latter are in grave danger at the moment and are withdrawing."

Subsequently, after the cease-fire perhaps because of the fact that she was amongst the few countries that had relations with China India was chosen to deal with the question of prisoners of war. India accepted this responsibility and played its role with courage and tact. Though there was no dearth of critics who accused her of siding with one bloc or the other, by and large, it was recognised that India's contribution had been helpful and constructive and had been of assistance in bringing about peace. Answering critics of India's Korean policy Mr. Nehru had occasions to make the following comments in Parliament in December 1953.

"Why did we go to Korea? Was it to gain honour, glory and prestige? We went to Korea because if we had not gone, there would have been no truce and no cease-fire and the war would have gone on, with a danger of its expansion. I cannot speak with a prophet's certainty of what would have happened if we had not gone there. But as we saw the problem at the time—and subsequent events have justified it—the only way first of all to get the United Nations to adopt that resolution and subsequently to see that there was agreement between the two Commands was for India to fill a gap which no other country could fill. I am not claiming any virtue for India. But it is a factual statement that no other country was willing to fill that particular gap. Without that gap being filled, there would have been no agreement. If there had been no agreement then the cease-fire would not have taken place and the terrible war would have gone on. We had to face the problem with the utmost reluctance. We accepted the job. And I would accept it not once but a hundred times again, because I owe a duty not only to my country but to others. I have been amazed for the last month or two to see people, not only in this House, saying and writing in the newspapers that we should call back our troops immediately from Korea. When they say these things, they do not seem to consider the question with the least degree of responsibility. We are not a great military nation, nor a rich nation, but we have certain standards by which we act as a nation. Because somebody says something, because President Rhee says something that we do not like, can we call back our troops and upset the whole apple cart, war or no war, massacre or no massacre? We are not going to do that as long as we are in charge of affairs. We are going to discharge the work to the best of our ability. Our ability may be limited but in so far as we can do it we shall discharge it with fairness and impartiality."

Other issues that came up in this period related to Kashmir and Tibet and have already been referred to elsewhere in earlier chapters. With regard to the charge that India in this period leaned more towards the Anglo-American bloc than the Soviet bloc Mr. Nehru himself explained why this was inevitable in that phase of our history.

"It has repeatedly been said", he pointed out in a speech, "that we incline more and more towards the Anglo-American bloc. It is perfectly true that during the last few years we have had more economic and other bonds with the United Kingdom and the United States of America than with other countries. That is a situation we have inherited and unless we develop new bonds we shall have to continue as we are doing. We maintained our old ties with these countries because a nation cannot live in isolation. We wanted certain things that we could not get from elsewhere. In similar circumstances, any country would have acted as we did. That some people obsessed by passion and prejudice disapprove of our relations with the Anglo-American bloc is not sufficient reason for us to break any bond which is of advantage to us.

"I cannot deny that there is danger and risk when a country begins to depend upon another. Whatever the form it takes, dependence is always bad and one should be on one's guard against it. Yet a country, placed as India is today, has inevitably to depend on other countries for certain essential things. We are not industrialized enough to produce all that we need. We have to depend on other countries for most of the things our Army or our Air Force or our Navy requires and are, therefore, dependent. However big your army, it is of little use unless you have the necessary equipment. Of course, we must try to build up basic industries so that we can produce things for our essential needs but what are we to do in the meanwhile? We have got to get them from somewhere and we have tried to get them from those countries where our existing economic contacts made it easier for us to do so. It is very difficult for us to build new channels of trade and commerce overnight. We are perfectly prepared to explore these possibilities; for instance, we are perfectly prepared to deal with the Soviet Union or any other country that can supply us with the particular goods we need. But the fact remains that at the moment it is simpler and easier for us to import things from America, England, France, other countries.

"The House will remember that we attained independence through cooperation and friendship. I think history will record that to our credit and, I am not ashamed to say, to England's credit, too. Having achieved our goal we went forward step by step. The House will remember that for the first two years while we were framing our Constitution, we were a Dominion. However, on the very first day our Constituent Assembly met, we declared that our object was to become

the Republic of India. Later, the question of whether or not we should be in the Commonwealth came up. The Republic of India has nothing to do with England constitutionally or legally. Of course, there are the normal bonds that exist between two countries that have had mutual dealing in the economic or cultural sphere. If we decide to remain associated with England or with a particular group of nations, there is no harm, provided no binding factor or inhibition accompanies that association."

The next phase of India's foreign policy can be said to have started with the signing of the Panch Sheel treaty with China in 1954. This marked the beginning of an attempt by India to build up closer relations with what was then one common bloc, the socialist bloc of countries. Shortly after this Panch Sheel treaty with China developments took place in the Soviet Union which brought India closer to that country. After the death of Stalin there was a brief period of uncertainty when the Soviet leaders were trying to work out a new approach to world affairs. Finally, with the emergence of Mr. Krushchev as the most powerful leader in the Soviet hierarchy a definite shift began to be noticed in Soviet policy towards India. The new Soviet leaders attached great importance to the third world and considered non-alignment a positive concept. In 1956 the Soviet leaders Mr. Krushchev and Mr. Bulganin paid a visit to India during which they were warmly received and in return expressed their support to Indian policies generally not only in the international sphere but also in the domestic sphere. Promise of Soviet aid was given and trade agreements were worked out which provided for a rising volume of trade between the two countries. This was a period when the policy of non-alignment proved its efficacy most strikingly and India's place in world affairs became far more important than would have been warranted by our economic or military strength.

This was a period also of Afro-Asian solidarity when it appeared that a real consolidation of the newly independent countries of Asia and Africa would be possible and that, as a result, the weight of the third world would be more effective in international politics. The Bandung Conference which began on 18 April in Djakarta, the Indonesian capital, did really give rise to a new ferment in the Asian and African countries and helped to inspire even those countries which had not yet won independence. The significance of the Bandung Conference is best described in the words of Mr. Nehru himself:

"The House will be interested to have some account from me of the recent Asian-African Conference held at Bandung.

"At the meeting of the Prime Ministers of Burma, Ceylon, Pakistan,

Indonesia and India at Bogor in December last, it was decided to convene such a Conference under the joint sponsorship of the five Prime Ministers. The main purposes of the Conference were set out as follows :

"To promote goodwill and co-operation,

"To consider social, economic and cultural problems, and the problems of special interest to Asian and African peoples ; and finally,

"To view the position of Asia and Africa in the world today and the contribution they could make to the promotion of world peace and co-operation.

"The Prime Ministers further agreed that the Conference should be composed of all the independent and near-independent nations of the continents of Asia and Africa. In the implementation of this principle, with minor variations, they decided to invite the representatives of twenty-five countries, who, together with themselves, thirty in all, could compose the Conference. The invitations thus extended were on a geographical and not on an ideological or racial basis. It is not only significant, but impressive, that all but one responded to the invitation of the sponsors and were represented at the Conference in most cases by Prime Ministers or Foreign Ministers, and in others by their senior statesmen.....

"The most important decision of the Conference is the 'Declaration on World Peace and Co-operation'. The nations assembled set out the principles which should govern relations between them and indeed the countries of the world as a whole. These are capable of universal application and are historic in their significance. We in India have in recent months sought to formulate the principles which should govern our relations with other countries and often spoken of them as the Five Principles. In the Bandung Declaration we find the full embodiment of these Five Principles and the addition to them of elaborations which reinforce these principles. We have reason to feel happy that this Conference, representative of more than half the population of the world, has declared its adherence to the tenets that should guide their conduct and govern the relations of the nations of the world if world peace and co-operation are to be achieved.

"The House will remember that when the Five Principles, or the Panch Sheel as we have called them, emerged, they attracted much attention as well as some opposition from different parts of the world. We have maintained that they contain the essence of the principles of relationship which would promote world peace and co-operation. We

have not sought to point to them as though they were divine commandments or as though there was a particular sanctity either about the number or about their formulation. The essence of them is the substance, and this has been embodied in the Bandung Declaration. Some alternatives had been proposed and some of these even formulated contradictory positions. The final declaration embodies no contradictions. The Government of India is in total agreement with the principles set out in the Bandung Declaration and will honour them. They contain nothing that is against the interests of our country, or the established principles of our foreign policy.

"The Declaration includes a clause which has a reference to collective defence. The House knows that we are opposed to military pacts and I have repeatedly stated that these pacts based upon the idea of balance of power and 'negotiation from strength' and the grouping of nations into rival camps are not, in our view, a contribution to peace. We maintain that view. The Bandung Declaration, however, relates to self-defence in terms of the Charter of the United Nations. The provisions of the Charter (Article 51) make it clear that the inherent right of self-defence, individual or collective, is 'if' an armed attack occurs against a member of the United Nations, until the Security Council has taken measures necessary to maintain international peace and security'. I also invite a reference to Chapter VIII of the Charter where the conditions about regional arrangements are set out in detail. It has been stated in the Bandung Declaration in express terms that these rights of collective defence should be in accordance with the Charter. We have not only no objection to this formulation but we welcome it. We have subscribed to collective defence for the purposes defined in the Charter. It will also be noted that the Bandung Declaration further finds place for two specific safeguards in relation to this matter, namely, that there should be no external pressures on nations, and that collective defence arrangements should not be used to serve the particular interests of the Big Powers. We are also happy that the Declaration begins with a statement of adherence to Human Rights and therefore to the fundamental values of civilization. If the Conference made no other decision than the formulation of the principles of the Bandung Declaration, it would have been a signal achievement."

In relation to another important event too India made a contribution and was able to play a role because of her position as a non-aligned country. This was in respect of Indo-China where the people of Vietnam had been waging a violent struggle against their French rulers. Despite the sophisticated weapons and superior resources of the French army the people of Vietnam were able to inflict a decisive defeat on the French at Dien Bien Phu. The peace settlement was ultimately negotiated at the Geneva Conference which was held in 1954. One of the

decisions of this Conference was that India should be the Chairman of the Committee to supervise the peace. Although subsequent events led to a resumption of hostilities after a few years India has continued to hold the position of Co-Chairman of the International Control Commission for Vietnam.

Another development of importance during this period was the nationalisation of the Suez Canal which was followed by an invasion of Egypt by British, French and Israeli troops in 1956. India very clearly expressed her support to the Government of Egypt but at the same time threw her weight in favour of finding a peaceful solution to the question.

While these developments were taking place in India her neighbour Pakistan was moving in the other direction—towards alignment with military blocs. As early as 1953 it came to be known that Turkey and Pakistan had negotiated some kind of a military pact and that these countries would be receiving military aid from the U.S. Giving expression to Indian feeling on the subject Mr. Nehru stated in Parliament on February 22, 1954 :

"Mr. Mohammed Ali (the Prime Minister of Pakistan—Ed.) has made various statements about this matter of aid from U.S. He asks why India should object. Of Course, they are a free country ; I cannot prevent them. But if something affects Asia, India especially, and if something in our opinion, is a reversal of history after hundreds of years, are we to remain silent? We have thought in terms of freeing our countries, and one of the symbols of freedom has been the withdrawal of foreign armed forces. I say the return of any armed forces from any European or any American country is a reversal of the history of the countries of Asia, whatever the motive. It was suggested some two or three years ago in connection with Kashmir that some European or American countries should send forces to Kashmir. We rejected that completely because so far as we can see, on no account are we going to allow any foreign forces to land in India.

That is our outlook, and it is something more than a mere Indian outlook. It is an outlook which applies to the whole of or a large part of this continent of Asia. Therefore we regret this military aid coming from the United States to Pakistan."

Subsequently these arrangements were formulated into what was first known as the Bagdad Pact and later came to be known as the CENTO (Central Treaty Organization). This as well as the other military grouping the SEATO (South East Asia Treaty Organization) were both military alliance backed up by military aid from the U.S. and certain

other powers. Expressing his concern about these pacts Mr. Nehru stated :

"A few words about the Bagdad Pact and SEATO. It is clear that the approach of military pacts, like the Bagdad Pact and SEATO, is a wrong approach, a dangerous approach and a harmful approach. It sets in motion all the wrong tendencies and prevents the right tendencies from developing. When the pacts are bad in themselves it is a matter of little consequence whether you suspect any country participating in these pacts of dishonesty or lack of *bona fides*. Moreover, the SEATO and Bagdad Pacts, apart from being basically in the wrong direction, affect us intimately. In a sense, they tend to encircle us.

"As the House knows, the Bagdad Pact has in fact created in Western Asia far greater tension and conflict than ever before. It has certainly put one country against another among countries that were friendly to one another. I do not know how anyone can say that this has brought security and stability to Western Asia.

"Look at the series of alliances and military pacts in the whole region of South East and Eastern Asia. It is almost as bad, I must say, as the big international trusts and combines. We do not quite know who is pulling where. Things are happening for which nobody appears to be responsible. The danger is that any odd member of one of these pacts can set in motion something which would gradually pull in not only the members of that pact, but some other interrelated pact of which they are common members. That is why both for larger reasons and for the narrow reason of self-interest, we have taken exception to the SEATO and Bagdad Pacts. We think that they push the world in a wrong direction. They do not recognise the factors that are at work. Instead of taking advantage of these new factors which go towards peace, disarmament and the lessening of tension, they deliberately check them and encourage other tendencies which increase hatred and fear and apprehension and come in the way of disarmament."

The cordial relations established after the signing of the Panch Sheel treaty with China in 1954 did not prove justified. There was an exchange of visits by the Prime Ministers of the two countries during which there was a certain amount of euphoria and an airing of the 'Bhai Bhai' spirit. But since 1957 in contravention of assurance given by the Chinese leaders that the question of the border between India and China would be settled by peaceful negotiations the Chinese gradually started encroaching into Indian territory in Ladakh. Simultaneously there were some incursions in NEFA. Describing the course of events Mr. Nehru explained to the Lok Sabha in 1959 that reports had been received between October 1957 and February 1958 that a Chinese

detachment had crossed the international frontier and visited Khurnak Fort within Indian territory. At the end of July 1959 an Indian reconnaissance party sent to the area was apprehended some miles from the border inside our territory by a stronger Chinese detachment. This took place in July 1959. Although the Chinese later released this party they insisted that this party had encroached into their territory. Mr. Nehru further explained how Chinese maps had been showing parts of Indian territory as their own. Speaking on the subject in the Lok Sabha Mr. Nehru stated :

"According to an announcement made in China, the Yehcheng-Gartok Road, which is also called the Sinkiang-Tibet Highway, was completed in September 1957. Our attention was drawn to a very small-scale map, about $2\frac{1}{4} \times 1\frac{3}{4}$ inches, published in a Chinese newspaper, indicating the rough alignment of the road. It was not possible to find out from this small map whether this road crossed Indian territory although it looked as if it did so. It was decided, therefore, to send reconnaissance parties in the following summer to find out the alignment of this road. Two reconnaissance parties were accordingly sent last year. One of these parties was taken into custody by a superior Chinese detachment. The other returned and gave us some rough indication of this newly constructed road in the Aksai Chin area. According to their report, this road enters Indian territory in the south near Sarigh Jilganang lake and runs north-west leaving Indian territory near Hajilangar in the north-west corner of Ladakh.

Representations were made to the Chinese Government in a Note presented to the Chinese Ambassador in New Delhi on 18 October 1958 drawing their attention to the construction of the road through Indian territory and the arrest of fifteen members of the Indian reconnaissance party within the Indian border. The Chinese Government in their reply presented on 1 November 1958 notified the release of the party and claimed that the road runs through Chinese territory. A Note expressing our surprise at the Chinese contention was presented to the Chinese authorities on 8 November 1958. Reminders have been given subsequently. No further answers have been received.

"The Aksai Chin area has a general elevation of over 17,000 feet. The entire Ladakh area including Aksai Chin became a part of the Jammu and Kashmir State as a result of a treaty signed in 1842 on behalf of Maharaja Gulab Singh on the one side and the Lama Gurusahib of Lhasa —this is the name written in the agreement which I am quoting—and the representative of the Emperor of China on the other. Ever since then this area has been a part of the Jammu and Kashmir State. Various attempts at demarcating the boundary between the Jammu and Kashmir State and Tibet were made subsequently by British officers. The Chinese Government were asked to send their representatives to co-operate in

this work. They did not take part. The Chinese Commissioner, however, stated on 13 January 1847, as follows :

'I beg to observe that the borders of these territories have been sufficiently and distinctly fixed so that it would be best to adhere to this ancient arrangement, and it will prove far more convenient to abstain from any additional measure for fixing them'.

"The British officers were also of the same opinion. Although no actual demarcation was made on the ground, maps were prepared on the basis of old usage and convention. These maps have been used in India for the last hundred years or so. They include the Aksai Chin region as part of Ladakh. Since the boundary of the Aksai Chin region with China-Tibet has not been marked on the ground, once or twice questions have been raised about the exact alignment of this boundary. Old Chinese maps have shown a different alignment."

Despite the deteriorating relations with China, India persevered in her interest in non-alignment. Mr. Nehru still felt that the border dispute would not escalate into a major conflict. In September 1961 a non-aligned conference was held in Belgrade in the preparation of which India took keen interest. In the deliberations of the Conference too India played an important role.

The Conference of heads of States or Government of non-aligned countries was held in Belgrade from 1 September to 6 September 1961. President Tito characterised this conference "as the "first concerted action of the non-aligned countries". Another speaker at the conference, President Sukarno of Indonesia, explained that the conference was being held in the conviction "that non-alignment has become a growing force in the world and that time has now come to gather this force together to turn it into a coordinated accumulated moral force". This conference which was preceded by discussions by many of the unaligned powers had some impact on the UN and on the third world countries generally. As we shall see however certain shifts in the international situation prevented the impact of this conference from being as great as might have been expected.

A new phase in Indian foreign policy was however to commence soon. In this phase commencing from September 1962 while non-alignment was not given up there was a shift in the approach to world questions because of the transformation of China from a neutral if not friendly neighbour into a bitterly hostile country.

The story of how beginning with small incursions the Chinese Government launched a full scale offensive against India has been described in an earlier chapter. What is of relevance here is the effect that this

had on India's foreign policy. Here again India's response was based on the situation that arose. Keeping in view her national interest and the fundamentals of foreign policy worked out by her India tried to adjust itself to the new developments. The Soviet Union and China were still allies and for a while Soviet reaction to the situation was somewhat confusing. Referring to India as their friend and China as their brother the Soviet leaders apparently did make some behind the scenes efforts to restrain China. When this proved ineffective they continued to show their concern and express sympathy for India. Meanwhile India taken by surprise by the massive Chinese attack desperately needed arms and other aid to halt the Chinese advance. At this time there were cries in India that non-alignment should be given up as it had proved a failure. There were suggestions that we should seek a nuclear umbrella from the U.S. and other powers who might be willing to offer their protection. Despite the gravity of the crisis India did not allow herself to take a short-sighted view and reverse her basic policies out of sheer panic. While therefore India did ask for a loan of arms and other equipment from the U.S., Britain and other powers who were willing to extend these aids she did not seek to enter into any long term commitment or go in for a formal military pact. This policy paid dividends in the long run. Those who thought that the socialist bloc of countries was one homogeneous and monolithic bloc were proved wrong. The Soviet Union did not pursue a policy of supporting China merely because she was a communist country. Actually one of the important issues that led to the rift between the Soviet Union and China was the attitude towards India. The Soviet Union after an initial period of hesitation announced that she would not only continue to give economic aid to India but would also carry out her commitments with regard to military supplies. In fact the Soviet Union offered to set up a MIG factory in India which has since gone into production and proved a valuable asset in the conflict with Pakistan in 1971. On the policy of non-alignment which was under severe attack at this time Mr. Nehru stated in the Lok Sabha in January 1963 :

"The present issue before us has a considerable background of history. In dealing with it, we have not only to consider this background, but the future as it might take shape. That future is of great concern to us in India. It has relevance to Asia and the world, as any conflict between India and China must necessarily have. We cannot think in static terms in a rapidly changing world. We have followed a policy of non-alignment and I believe in it fully. I hope we shall continue to follow it. But even the old concept of non-alignment is slowly undergoing change. On the one side, the Soviet Union and China are beginning to fall out. On the other side, there is some attempt at a closer approach between the United States and the Soviet Union. We cannot, at this stage say much about it, but it does hold out some hope.

"Our policy of non-alignment has won favour in the world not only among the non-aligned countries and the newly independent countries of Africa and Asia but even among the major aligned countries like the United States and the Soviet Union who have come to see some virtue in it and want it to be continued. It has surprised me, therefore, that just at this moment of our success in this policy, some people in India should doubt its worth."

Although the basic policy of non-alignment remained, the growing rift between the Soviet Union and China had its impact on international politics. The confrontation between the socialist bloc and the bloc of Western powers underwent a change. In many matters the Soviet Union and the United States moved closer together and this was expressed also in a number of formal treaties such as the Non-proliferation Treaty by which the Soviet Union, U.S.A. and certain other nuclear powers made a joint move to keep nuclear weapons from spreading to other countries of the world. On the other hand the alliance of China with Pakistan and the arms aid that China began to extend to the latter country created a new danger for India. It also made a mockery of the CENTO and SEATO pacts. One of the major objectives of these pacts had been to 'contain communism'. Here was a member of these military pacts entering into a military alliance with one of the very communist countries against whom the pact was directed. The emphasis therefore in this period of Indian history was on India building herself up economically and militarily and seeking friends in both camps. India has during this period also tried to move with the other under-developed and developing countries in striving to improve terms of trade and aid from the developed countries of the world. In the UNCTAD Conference and in other international forums India has tried to play its role so that the political independence of the newly liberated countries might be underpinned by a solid foundation of economic development.

At the time of the Bangladesh developments the strength and correctness of India's foreign policy was strikingly vindicated. India entered into a long term treaty of friendship with the Soviet Union on 9 September 1971. It has again been alleged by some that this marks the end of India's non-alignment insofar as there is a provision in the treaty that in case of threat of aggression against any one of the parties the two parties will immediately consult each other. It has however been clearly explained by Mrs. Indira Gandhi, the Indian Prime Minister, that this is not a departure from the policy of non-alignment. It merely is another attempt to meet the challenge of the situation that has now arisen and is really intended to put formally on paper the friendly relations that have existed between India and the Soviet Union for some time.

The possibility that has opened out of friendly relations between India, Bangladesh and Pakistan if translated into reality could mark another turning point in the history of this country and of the sub-continent. Indian foreign policy which has for more than two decades had to base itself on the growing threat from a hostile neighbour who was being steadily and progressively armed by powerful countries would certainly need to be adjusted once again should this threat be removed. Nevertheless there is no reason to believe that the fundamental objectives of this policy, viz., that it is independent and not entangled with any power bloc, that it supports the independence of all countries and stands against racial discriminations and that it seeks co-operation with all peace loving nations to promote international peace and prosperity would need to be changed.

Over the years Indian foreign policy has stood the test of time. In fact the formulation and working out of this policy in changing circumstances is one of the major contributions of the late Mr. Nehru to the world. Indian foreign policy has served as a kind of model for most developing countries. Subsequent Indian leaders Mr. Lal Bahadur Shastri and now Mrs. Indira Gandhi have further developed and enriched that policy and applied it with wisdom and maturity in the national interest of India, in the interest of the developing countries and in the interest of world peace.

Chapter VIII

NEW HORIZONS

In an earlier chapter we have referred to the revival and revitalisation of the Congress that followed the split in the party and the new look that it acquired after the nationalisation of banks. We now carry the story forward from that point and survey the current scene. But before we come to contemporary events it would be of interest to take a look at the situation as it had developed immediately after the split in the Congress party. Of the 285 members of the Congress party in the Lok Sabha 65 crossed over to the opposition and formed the Congress (O) group. The 220 members who remained with the Prime Minister were referred to as the Congress (R) group. In a House of 520 members the official Congress party was thus reduced to a minority for the first time in the post-independence history of India. The Prime Minister was, however, able to carry on—thanks to the support extended to her by the CPI and DMK groups, some independents and on certain issues by other groups also. This, however, meant that the Government had to work under severe constraints. An example of this was the way the Government was forced to resile from its decision to enact the Preventive Detention Law for West Bengal because of the opposition to the measure by parties other than the Congress (R) in the Parliamentary Consultative Committee for West Bengal. Included amongst these parties was the CPI. A more serious crisis faced the Government in relation to its move to abolish the Privy Purses of the Princes. This was part of the Prime Minister's strategy of winning the support of the masses and projecting a new image of the Congress as the agent of change and progress and the champion of the under-privileged sections of society. The Constitution Amendment Bill moved by the Government for this purpose while getting the requisite majority in the Lok Sabha failed to get the two-third majority required in the Rajya Sabha, the Upper House, by just a fraction of a vote. The President by an order issued shortly afterwards on 7 September 1970, withdrew the recognition and privileges of the 278 former Princes. This order was, however, challenged by the Princes in a petition before the Supreme Court and ultimately the Supreme Court by a majority decision given on 15 December 1970 declared the President's order as illegal, unconstitutional and void.

It was now clear to the Prime Minister that it would not be possible for her to carry on unless she had a clear majority in the Lok Sabha.

She, therefore, advised the President to dissolve the Lok Sabha and order a fresh election. Explaining this step Mrs. Gandhi stated in a broadcast to the nation : "With the division in the Congress, we lost our Party majority, although throughout we have retained the confidence of Parliament. The amendment to the Constitution designed to pave the way for abolishing Privy Purses and Princely privileges was lost by a fraction of a vote in the Rajya Sabha. The Presidential Order derecognising the Princes has been struck down by the Supreme Court as unconstitutional". The Challenge, she went on to say, posed by the present critical situation could be met only by the proper and effective implementation of the country's secular and socialist policies and programmes through democratic processes. "Time will not wait for us. Millions who demand food and jobs are pressing for action. Power in a democracy rests in the people. That is why we have decided to go to the people and seek a fresh mandate from them", she concluded..

The general election that was held between 1 and 10 March 1971 had a number of unique features which distinguished it from earlier elections. This was the first time that the Lok Sabha had been dissolved before the expiry of its full five year term. This was also the first time that the elections to the Lok Sabha were separated from the State Assembly elections. Except for a few States such as West Bengal, Orissa and Tamil Nadu where mid-term polls were held for the State Assemblies along with the Lok Sabha elections, the polling in the rest of India was confined to Parliamentary seats. This was the first time also that the election was fought in such a tense atmosphere. On the outcome depended the survival of the Prime Minister's party. The course of India's political history would no doubt have been rather different if Mrs. Gandhi's party had failed to secure a majority. The only course, in that case, would have been to have a coalition at the Centre as clearly no single party could have hoped to get a majority. It is doubtful if major decisions and major risks such as was the case in the Bangladesh crisis could have been taken by a coalition Government.

Compared with the first general election in 1952 the electorate had increased by 100 million and numbered some 270 million in the year 1971.

The election results were a massive verdict in favour of the Prime Minister and her party. With 350 seats out of 515 for which polling was held in March she had a clear two-third majority in the House sufficient to get through a Constitutional amendment without having to depend on the support of other parties. This indicated an increase in the strength of the ruling Congress by 71 seats as compared to the position held by the united Congress party after the fourth general election. The strength of the opposition parties was naturally considerably reduced. The table

below gives the relative party position of the different parties in the Lok Sabha in 1971, at the time of dissolution of the 4th Lok Sabha and in 1967.

Relative Party Position

	1971	At the time of Dissolution	1967
Congress (pre-split)	279
Congress (R)	350	220	...
Congress (O)	16	65	...
Swatantra Party	8	35	44
Jana Sangh	22	33	35
C P I	23	24	23
C P I (M)	25	19	19
P S P	2	15	13
S S P	3	17	23
Others	68	92	84
<i>Total</i>	<i>515</i>	<i>520</i>	<i>520</i>

The new Government formed after the elections had hardly had time to settle down before the crisis burst in Bangladesh on 25 March 1971. With the liberation of Bangladesh by 16 December 1971 and the trek back of the refugees which began shortly afterwards and was well on its way to completion by February/March 1972 conditions had been created for the resumption of the democratic process which the war with Pakistan had threatened to disrupt. Elections to the State Assemblies were held in March 1972. As had been anticipated the State Assembly elections provided an even more massive vote of confidence in Mrs. Gandhi's leadership than the elections of 1971. While in the 1971 elections the Congress had failed to secure a majority in West Bengal, in the 1972 elections the Congress was able to secure as many as 216 seats out of a total of 280 seats and the CPI(M) which had emerged as the largest single party in the 1971 elections capturing as many as 111 seats out of 280 was able to get no more than 14 seats. The CPI which fought the elections in alliance with the Congress was able to improve its position from 13 seats to 34 seats. Thus the Congress and its ally together have an overwhelming majority in the State Legislature. Except in the Union territories of Goa and Meghalaya the ruling Congress was able to secure impressive majorities in all the States for which elections were held, viz., Andhra Pradesh, Assam, Bihar, Gujarat, Himachal Pradesh, Haryana, Jammu and Kashmir, West Bengal, Maha-

rashtra, Madhya Pradesh, Mysore, Punjab, Rajasthan and Tripura and also in the Union territory of Delhi. In Manipur the Congress was in alliance with the Manipur People's Party. With the support of the CPI group the United Legislature Party constituting the Manipur People's Party and Congress had a majority of 32 in a House of 60 and could claim reasonable stability. In Meghalaya the Congress fought the elections in alliance with the All Party Hill Leaders Conference (APHLC). The APHLC with 32 seats out of 60 has formed the Government with the Congress legislators supporting it from outside. In Goa a non-Congress leader has been returned to power. He has declared that his differences with the Congress party are not ideological but organisational which means that for all practical purposes Congress policies will be implemented in the Union territory of Goa.

The spectacular victory secured by the ruling Congress emerges clearly from the following table showing the number of seats contested by various parties in the Assembly and the number of seats won compared with their strength in the outgoing or dissolved Houses.

Seats Contested and Won

Party	Seats Contested	Seats Won	Seats in Old House
Congress	2,524	1,924	1,382
Jana Sangh	1,232	105	176
Congress (O)	872	88	207
C P I	325	112	76
C P I (M)	462	34	128
S P	653	58	117
Swatantra	308	16	54
Others	667	134	155
Independents	4,955	249	232
<i>Total</i>	<i>11,998</i>	<i>2,720</i>	<i>2,527</i>

The implications of the Assembly election results of 1972 following the Lok Sabha election results of 1971 are obvious. The ruling Congress and its leader Mrs. Gandhi have received the mandate of the people to implement her policies and to take the country in the direction promised in her election manifesto. Some of the salient points of the election manifesto of the ruling Congress are given in the appendix to this Chapter.

The country can now reasonably look forward to another period of stability. The economic policies of the present Government will

obviously continue to place the accent on the uplift of the less privileged sections of society and on mitigating the rigours of poverty for the lowest strata of the population. What is not so obvious is the methods that will be used to achieve this end. There is no reason to suppose that there will be any shift from the centrist position held by the Prime Minister.

In the sphere of foreign policy the basic aspects of India's foreign policy are likely to continue but the heightened stature that India today enjoys clearly marks out for her a more active role in the seventies in foreign affairs than she was able to play in the sixties following the debacle suffered in 1962. The twenty year Treaty of Peace and Friendship concluded with the U.S.S.R. while not aligning India with the Soviet military bloc does indicate that within the broad framework of non-alignment there will be closer cooperation with the Soviet bloc.

Although the majority now enjoyed by the ruling Congress party at the Centre and most of the State Assemblies and the emergence of Mrs. Gandhi as the undisputed leader of the party enjoying considerable mass popularity now provides a reasonable assurance of stability, it would perhaps be an oversimplification of the problem to consider that India's path of advance is now free of all hurdles. One must take into account the fact that many of the basic problems that have plagued the country have still to be resolved. Take the question of language for instance. The assurance given by the late Mr. Nehru in Parliament has only deferred the question but not solved it. India obviously needs a link language for work at the Centre and as a medium of communication with the States. There are difficulties about using English for this purpose indefinitely. Moreover the Hindi speaking states are determined that the provision in the Constitution about using Hindi as the link language should be enforced. On the other hand resistance to this from non-Hindi States, particularly from States like Tamil Nadu, has not worn down. The language question will therefore continue to rear its head from time to time and lead to tensions and conflicts unless the attitude of the people, both those supporting and those opposing Hindi, undergoes a change. Regional feelings continue to be strong in relation to other issues too such as sharing of river waters, boundaries between States and further sub-division of States to form new States such as Vidharba or Telengana.

Communalism cannot be said to have been wiped out from the face of the country though the emergence of Bangladesh does constitute a severe setback to the forces of communalism. But it is not to be expected that the monster that took such a toll of lives in the period immediately preceding and following the partition of the country, that has repeatedly stirred up trouble in various parts of the country, will be

tamed so easily. Here too prolonged efforts aimed at changing patterns of behaviour and thought in the country need to be made and meanwhile the possibility of sporadic eruptions of communalism should not be ruled out and should be prevented by use of coercive methods when necessary.

Other dangers also lurk in the distance. The Congress Party is again showing signs of becoming a platform rather than a compact political party. Numerous trends, not all compatible with one another, are seeking shelter under its vast umbrella. Will this not lead to the emergence of conflicts within the organisation and threaten stability again? The controversy over land ceiling is a pointer to the kind of conflicts that can take place.

Finally, the most ominous question mark of all is—what steps to take to end the poverty and unemployment that loom so large today. Various strategies are being suggested but with each passing day the shadow of hunger and unemployment is lengthening steadily and inexorably. On the other hand new media of mass communication, greater awareness of developments around the world is increasing the expectations of the people. Will the present leadership be able to find the answer to this question in time? If it does not, one can well appreciate that the stability that we see today may prove ephemeral.

However, the very history of the past twenty-five years gives reason for hope and confidence that the problems serious as they are will be surmounted and that India in spite of the many problems that she faces currently and will undoubtedly continue to face, will in the years to come march forward to a future of greatness and glory.

Developments in the sub-continent which have led to the emergence of a free and friendly Bangladesh also give rise to the hope that the tensions and conflicts that have marred India's progress for the last two and a half decades will subside. Should the rulers of Pakistan agree to take a realistic attitude and seek a *modus vivendi* with India one can look forward to an era of co-operation and joint effort for the development of the sub-continent as a whole in the mutual interests of the three countries of this sub-continent—India, Bangladesh and Pakistan. The new horizons that are opening up may indeed mark a turning point in the history of this region and the dreams of lasting peace and prosperity that we had when independence came may at last come true.

APPENDIX to Chapter VIII

Extracts from Election Manifesto of Indian National Congress (R)

A. On the question of Constitutional Amendment

... As a result of certain recent judicial pronouncements, it has become impossible to effectively implement some of the Directive Principles of our Constitution.

... It will be our endeavour to seek such further constitutional remedies and amendments as are necessary to overcome the impediments in the path of social justice.

B. Economic Platform

- (a) *Agriculture* :—For spread of new technology, a positive programme of agrarian reform necessary—Green revolution now confined to irrigated areas and larger farmers—extension of credit, etc., to small farmers to enable them to adopt scientific agriculture.
 - Extension of minor irrigation—crash programme for improvement in dry farming on the basis of a new technology—new opportunities for gainful employment to poor people unattached to land.
 - New credit programme by nationalised banks for small farmers, self-employed persons and economically neglected sectors and areas.
- (b) *Industry* :—Public sector to create new resources for further investment through better management and disciplined work— incentive for increased production and wage rise on the basis of higher productivity—workers' participation in management.
 - Extension of public sector by taking over general insurance—increased share in foreign trade—greater role of the State in industries where substantial public funds have been invested.
- (c) *Private Sector* :—to occupy important position—helped by simplification of regulation and avoidance of delays—to be stimulated without allowing emergence of private monopolies and concentration of economic power.
 - Realistic wage and price policy integrated with a rational wealth and income policy.
- (d) *Urban property* :—to be subjected to limitations—speculation in land to be curbed.
- (e) *Employment* :—A crash programme for employment and cheap credit for self-employment.

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PART II

INDIAN ECONOMY SINCE INDEPENDENCE

Chapter I

THE CHALLENGE OF INDEPENDENCE

Independence faced India with a severe economic challenge.

A predominantly agricultural country, she was passing through an acute shortage of foodgrains and agricultural raw materials. Regarded since the twenties as the eighth most industrialised country in the world, her industries were in the doldrums. Prices were soaring ; inflation was rampant. A wave of industrial unrest was sweeping over the country. Added to all this were the adverse consequences of the partition and of the war with Pakistan over Kashmir.

As early as the twenties, (undivided) India had turned into a net importer of foodgrains. During the five-year period, 1935-36 to 1939-40 the average annual net imports of foodgrains into undivided India stood at 1.38 million tons. Though partition had reduced the population of the country by about 18 per cent, the quantity of foodgrains imports into the country rose to 2.8 million tons in 1948 and to 3.6 million tons in 1949.

India's high ranking on the industrial map of the world notwithstanding, her industrial achievements were not really adequate either from the point of view of the needs or of the potentialities of the country. Moreover, the structure of her industries suffered from many organic weaknesses. Out of the nearly two million factory workers that she had on the eve of World War II, over 75 per cent were accounted for by light and processing industries such as textiles, 'food, drink and tobacco' and processes relating to wood, stone, glass, hides and skins. Half the total employment under the respectable label of 'chemical, dyes, etc.' was in reality shared by matches and oil mills. Although over 200,000 persons were employed in the engineering industry, most of the establishments under this head were, according to the American Technical (Grady) Mission that had come to India in 1942 to survey the country's engineering capacity, little better 'than mere jobbing shops'. A British researcher characterised the wartime industrial developments in India in the following terms : "Industries developed but not a self-sustaining industrial system. As in the First World War, the absence of a capital goods sector made itself felt : established

industries . . . worked multiple shifts but the difficulties of imports of essential requirements led to tremendous wear and tear." (Michael Kidron, *Foreign Investments in India*, Oxford University Press, 1965, p. 21).

He further added : "The lopsidedness of Indian industrial growth was pronounced. In 1946, despite wartime developments, cotton and jute textiles accounted for 45 per cent of the fixed capital in 29 major industries.

"A comparison of factory employment in India and Britain at the close of the forties shows that textiles accounted for 40 per cent of workers in India (cotton and jute) and 6.5 per cent in Britain (cotton, woollen, worsted) ; engineering, iron and steel, and related industries, for 15.9 per cent and 47.3 per cent respectively ; and chemicals for 0.7 per cent and 5.6 per cent." (*Ibid*).

The inadequacies and weaknesses of the industrial structure were further enhanced by the heavy wear and tear under high-pressure utilisation of the plants and machinery and the absence of proper maintenance.

The wave of industrial unrest that swept over the country following the withdrawal of wartime restrictions on industrial actions further undermined the production capacity of industries. The loss of mandays on account of industrial disputes had risen fourfold from 4,054,499 in 1945 to 16,562,666 in 1947.

As a result of all this, industries were working much below their rated capacities. Table below shows the decline of production from their wartime peaks in the case of some important industries.

Industrial Production—Wartime Peak and Eve of Independence

	Unit	Wartime Peak	1947
Finished steel	'000 tons	1,000	893
Cotton Yarn	million lbs.	1,685	1,296
Cotton piecegoods	million yards	4,852	3,762
Jute manufactures	'000 tons	1,278	1,051
Papers and paperboards	'000 cwts.	1,944	1,862
Ammonia sulphate	'000 tons	29.7	21.3
Paints	'000 tons	1,141	772
Cement	'000 tons	2,209	1,447
Sugar	'000 tons	1,210	901

(Source : Reserve Bank of India, Report on Currency & Finance, 1951, statement 14)

Because of the prevailing worldwide shortage of industrial goods, and more particularly of shipping space, that developed in the wake of the war, the volume of imports of many essential commodities into the country was also low. As a result, even in 1948 the total availability of many industrial commodities was below the pre-war level. This may be seen from the table below :

Availability of Industrial Commodities

Commodities/Year	Production	Imports	Exports	Total Supply
Cotton piecegoods (mn yards)				
1939	4,012	600	337	4,275
1948	4,380	47	392	4,035
Sugar (th. tons)				
1940	1,394	20	...	1,414
1948	1,075	11	7	1,079
Cement (th. tons)				
1939	1,720	13	...	1,733
1948	1,553	75	...	1,628
Paper (th. cwts.)				
1939	1,331	2,837	...	4,168
1948	1,958	1,943	...	3,882
Paints & colours (th. tons)				
1939	660	269	3	926
1948	714	144	...	858

(Source : Eastern Economist Records & Statistics, New Delhi, January 1955)

While the supply of commodities had declined substantially, the volume of money supply in the country had risen fourfold since the beginning of the war, as may be seen from the table below :

Money Supply (Rs. Crores)

	1938-39	1947-48
Notes in circulation	182.36	673.84†
Demand liabilities of scheduled banks	123.81	706.65††
Total	306.17	1,380.59

(Source : Reserve Bank of India).

† Excluding Pakistan.

†† Including Pakistan whose share was estimated at less than Rs. 100 crores.

As a result of all these factors, prices which had registered till 1947-48 a threefold rise over the pre-war level continued to soar upward. This may be seen from the table below :

Index Numbers of Wholesale Prices

(Base : Year ended August 1939—100)

	Food articles	Industrial raw materials	Semi-manufacture	Manufacture	Misc. articles	Genl. index
1947-48	306.1	377.5	261.6	286.4	457.2	308.2
1948-49	382.9	444.8	327.3	346.1	525.2	376.2
1949-50	391.3	471.7	331.6	347.2	570.7	385.4
1950-51	416.4	523.1	348.9	354.2	707.4	409.7

(Source : *Eastern Economist Records & Statistics*, New Delhi January 1955)

Because of the heavy wartime strain and lack of replacements, railways were also in a sorry plight. Indeed, the problem of the railways was further aggravated by the fact that some lengths of the tracks had been dismantled and, along with a large number of wagons and coaches, had been shipped to the middle eastern theatre of war.

Partition had not only caused the influx of about 8.5 million refugees into the country, but also led to major economic imbalances. The division of the country meant the loss of substantial sources of supply of foodgrains and agricultural raw materials. While 82 per cent of the total population of undivided India remained in the country, the land area that fell within her borders was only 77 per cent. Further, nearly 80 per cent of the raw jute production and over 30 per cent of cotton production went to Pakistan while jute and cotton textile manufactures were concentrated in India.

The Government of Independent India had a cash balance of approximately Rs. 2,750 million to start with. Out of this over Rs. 1,000 million had to be spent on the incoming refugees from Pakistan in the initial months of freedom.

While these problems demanded immediate corrective actions, the task of economic regeneration of the country was further complicated by the fact that five hundred and odd princely states that had opted for the Indian Dominion still awaited full integration. Moreover with one or two exceptions these states were significantly backward in comparison with the provinces of the erstwhile British India. Among themselves, they varied widely as regards area, population and the level of development. While the larger states like Hyderabad or Mysore had extensive territories, there were many others extending over a few square

miles only. But each of these states had "its own laws and taxation structure and a bewildering multiplicity of revenue and other systems", including separate currencies in some cases. (See Government of India, *White Paper on Indian States*, 1950, p. 68)

Although some preliminary work on the problems of post-war reconstruction had been accomplished by the former regime and a Planning Advisory Board was appointed by Mr. Jawaharlal Nehru soon after he had joined as the Vice-President in the Interim Government under Lord Wavell, no systematic programme of long-term economic development and re-organisation was immediately possible. A number of urgent and short-term measures for checking the fast deteriorating economic situation were clearly necessary and the political and administrative groundwork for advancing along a wide front had to be laid. To this task the Government of Independent India immediately addressed itself.

The first intervention by the Government in the economic sphere was the convening of a tripartite industrial conference in New Delhi in December 1947. Attended by representatives of the Central and Provincial Governments, industrial employers and trade unionists, the conference discussed the ways and means of (i) utilising the existing industrial capacities more fully, and (ii) harnessing industry to the growing requirements of the people.

The deterioration in the performance of industries was, the Conference unanimously decided, due to (i) shortage of raw materials and transport facilities; (ii) want of replacements; and (iii) widespread labour unrest.

The Conference worked out the imperatives in each of the three problem areas.

To tackle the problem of scarce materials including replacements, the Government of India drew up a short-term plan which was to take care of 30 industries, including steel, cotton textiles, cement, super-phosphates, paper, drugs, machine tools, etc.

Steps were also taken to expedite the movement of coal from the pit-heads to the industrial centres.

But the most important contribution of the conference was the agreement by the representatives of labour and capital on a three-year industrial truce, arrived at in a special session presided over by the Prime Minister. The conference adopted a resolution on the larger question of labour-capital relations, which was subsequently endorsed by the Government of India. The resolution stated:

"The system of remuneration to capital as well as labour must be so devised that, while in the interest of the consumers and the

primary producers, excessive profits should be prevented by suitable methods of taxation and otherwise, both will share the product of their common effort, after making provision for payment of fair wages to labour, a fair return on capital employed in the industry and reasonable reserves for the maintenance and expansion of the undertaking."

The Industrial Conference also laid the foundation of the Government's basic policies in the sphere of future industrial development. Basing itself on the consensus arrived at in the conference, the Government of India announced its Industrial Policy on 8 April 1948. With some marginal modifications from time to time, this policy statement has served as the basic framework of the Government's guidelines in the sphere of economic development ever since.

While the policy started with the premise that the state must play an increasingly active role in the development of industries, subject to the limitation of its resources, it also sought to define the respective spheres of state and private enterprises.

The statement on Industrial Policy divided the entire industrial sector into three major categories. The first, exclusively reserved for state enterprise, embraced the manufacture of arms and ammunition, production and utilisation of atomic energy, river valley projects and the railways. The second category, comprising coal, iron and steel, aircraft, telephone, telegraph and wireless, shipbuilding and mineral oils was declared to be the responsibility of the state, though existing private enterprises in these areas were to continue for at least 10 years. The third, residual, category was left to the private sector, subject, of course, to state regulation and control.

Soon afterwards in 1949, the Government of India enacted an enabling legislation to acquire the powers of regulation and development of major industries. Subsequently, the Industries (Development & Regulation) Act was put on the Statute Book to empower the Central Government to exercise wide powers of control over the industrial sector with a view to ensuring that expansion of the specified industries conformed to the overall plan for the country's development. The Act provided for the licensing of new industrial undertakings as well as substantial expansion of existing plants. It also empowered the Government to regulate their production and development and to assume management or control of an industrial undertaking in certain cases, besides controlling the supply, distribution and price of certain articles.

Just a year after the Industrial Policy statement, Prime Minister Nehru made another statement on 6 April 1949 on the Government's Policy on the investment of foreign capital in India. The statement deserves quoting at length.

"The stress on the need to regulate in the national interest the

scope and manner of foreign capital arose from past association of foreign capital and control with foreign domination of the economy of the country. But circumstances today are quite different. The object of our regulation should, therefore, be the utilisation of foreign capital in a manner most advantageous to the country.

"In the first place, the Government would expect all undertakings, Indian and foreign, to conform to the general requirements of the industrial policy. As regards existing foreign interests, government do not intend to place any restrictions which are not applicable to an Indian enterprise.

"Foreign interests would be permitted to earn profits, subject only to regulations common to all. If, however, any foreign concerns come to be compulsorily acquired, Government would provide reasonable facilities for the remittance of proceeds. In that case, compensation will be paid on fair and equitable basis.

"The major interest in ownership and effective control of an undertaking should be in Indian hands. Government will not object to foreign capital having control of a concern for a limited period, if it is found to be in the national interest and each individual case will be dealt with on its merits. In the matter of employment of personnel, Government would not object to the employment of non-Indians in posts requiring skill and experience when Indians of requisite qualifications are not available. But Government attach vital importance to the training and employment of Indians.

"As regards British interests especially, there is and will still be considerable scope for the investment of British capital in India. These considerations will apply equally to other existing non-Indian interests. The Government have no desire to injure in any way British or other non-Indian interests in India and would gladly welcome their contributions in a constructive and co-operative role in the development of India's economy."

Within weeks, the Government of India made further pronouncements giving a more liberal interpretation of its policy on foreign investments. In July 1949, it was stated in a press note that "when protection is granted to a particular industry, all the units of that industry, whether Indian-owned or not, will be automatically entitled to claim the benefits of such protection . . ." (Quoted by Michael Kidron, *op. cit.*, p. 101)

Further :

"The Government of India has no reason to believe that the growth of a foreign-controlled concern, even with the assistance of some protection that may be given to any particular industry in general, would be detrimental to the interest of the nation." (*Ibid*)

Though there have been zigzag movements and minor shifts—sometime towards rigidity and on other occasions towards liberalisation—this basic frame of the official policy on foreign investments in India has remained largely unchanged.

The announcement of the Government's policy on foreign capital was accompanied by the appointment of a Fiscal Commission to make comprehensive recommendations on the policies to be adopted by the Government for the protection to industry and the machinery required for implementing the recommended policies.

On the basis of the Commission's recommendations, the Government of India set up a permanent and statutory Tariff Commission, replacing the existing low-powered Tariff Boards appointed on an *ad hoc* basis.

A much more fundamental pre-requisite for economic advance was achieved by the adoption of a new Constitution for the country on 26 November 1949, which settled the question of division of power between the Centre and the constituent units and more importantly eradicated "all artificial barriers which separated the (princely) States from the provinces and achieves for the first time the objective of a strong, united and democratic India built on the true foundation of a cooperative enterprise on the part of the peoples of the provinces and the States alike." (*Govt. of India, White Paper on the Indian States, op. cit., p. 108*)

During this period some other preparatory measures also were undertaken for streamlining the administrative and institutional machinery according to the demands of all-round national development. A major step of this kind was the nationalisation of the Reserve Bank of India. This bank had, of course, been since its inception under the statutory control of the Government of India but it had been owned by private shareholders. It was nationalised in 1948 to bring this important instrument of monetary and financial regulation under the undivided and unquestioned control of the Central Government. A number of enactments for the purpose of overhauling the laws on banking, insurance, corporate sector and the accountancy services was also rushed through during the period.

These preliminary steps in the first two years after the transfer of power not only cleared the deck for undertaking a more integrated and long-term plan for wide-fronted economic and social advance in the next phase, but also yielded some immediate dividends in the form of a steady improvement in industrial production.

An important contribution to the industrial revival was made by the improvement in labour relations following the industrial truce, agreed to by Labour and Capital at the tripartite conference of December 1947. Following this truce, the number of mandays lost on account of

industrial disputes, which had risen from about 4.1 million in 1945 to about 16.6 million in 1947, immediately dropped to 7.8 million in 1948. The figure declined further in 1949 and after a small rise the following year came down to 3.8 million in 1951, that is, to a level considerably below the wartime figure in 1945.

This improvement in industrial relations accompanied by the success of some of the urgent short-time measures for solving the problems of raw material and transportation was reflected in the upward movement of production in a number of industries. Table below shows the progress between 1948 and 1951.

Rise in Industrial Production

Industry	Unit	1948	1949	1950	1951
Finished steel	'000 tons	845	930	983	1,040
Coal	million tons	29.8	31.4	32.0	34.3
Cement	million tons	1.6	2.1	2.6	3.1
Sulphuric acid	'000 tons	80	99	102	100
Caustic soda	'000 tons	4.4	6.3	10.8	14.0
Soda Ash	'000 tons	29.1	37.9	43.8	47.5
Ammonia sulphate	'000 tons	35.2	45.9	47.3	45.6
Paper & paper boards	'000 tons	98	103	108	129
Diesel engines	Numbers	1,025	2,076	4,596	7,175
Sewing machines	'000 numbers	20	25	30	44
Electric motors	'000 HP	60	68	82	142
Power transformers	'000 KVA	82	109	172	194

Improvements were also registered by a number of other industries such as the electric lamp, dry batteries and rubber-insulated cable industries.

During this period some new industries in the light engineering and light electrical spheres came up for the first time. Among these were industries for the manufacture of automatic looms, gramophone needles, domestic refrigerators, electric meters, miniature electric lamps, all gear head lathes, piston rings, ball bearings for electric fans, three-phase electric (A.C.) motors up to 70 h.p., electric transformers and automatic starters.

Of greater significance for the future growth of the country was the fruition of a number of large industrial projects in the public sector. Some of these projects had been initiated by the earlier regime as part of the post-war reconstruction programme. These units represented the first step towards the build-up of a strong infra-structure necessary for a broadbased economic development of the country.

The most important unit of this category was the Sindri Fertilizer Factory, the setting up of which was decided upon in 1945. The most modern and largest fertilizer plant in Asia at that time, it commenced

production on 31 October 1951, though the formal inauguration was delayed till March 1952. This project also included the erection of a coke oven plant for supplying the necessary coke to the fertilizer plant and a cement factory for utilising the by-product of sludge turned out by the fertilizer plant.

Another project decided upon earlier was the Chittaranjan Locomotive Works which went into production on Republic Day, 1950. By January 1954, the hundredth locomotive had rolled out of the Chittaranjan workshop.

Some other major projects that matured during this period were Indian Telephone Industries near Bangalore, Hindustan Cables Ltd. at Rupnarainpur in the district of Burdwan in West Bengal and Hindustan Machine Tools Ltd. also in Bangalore.

Another major step in the period immediately following the transfer of power was the formation of the Industrial Finance Corporation in 1948, with a paid-up capital of Rs. 50 million. Formed by the Government of India in partnership with banks, insurance companies, investment trusts and other financial institutions, this Corporation was the first of a number of bodies that came to be formed to provide the requirements of longterm finance for the expansion and development of industries in India.

With all these steps, the independent Government of India was not only able to reverse the process of deterioration that had started in the months immediately following the transfer of power, but was also able to create the conditions for a general advance of the economy. The Government of India announced the appointment of the Planning Commission in March 1950. The Commission was entrusted with the task of drawing up a plan for a balanced and all-round development of the country.

The work of the Indian Government in the first phase of Independence has drawn tribute and applause from many competent observers abroad. For instance, the noted Swedish scholar, Gunnar Myrdal, has written :

“By any standard of comparison, the beginnings of independence in India were remarkably successful . . . its capacity for political survival was . . . put to a severe test. While in the process of assuming power, the new government had to cope with one internal crisis after another . . . chronic shortages of food and other essentials, an overburdened transport system, the economic dislocation of partition and the need for economic controls to cope with shortages and inflation, were among the emergencies demanding immediate attention. These problems, however, were tackled in a way that, on the whole, inspired confidence in the government.” (Gunnar Myrdal, *Asian Drama*, Vol. I, p. 264, Pelican Book, 1968)

Chapter II

FORGING AHEAD

Starting from April 1951, the date of the launching of the first five year plan, India has passed through 21 years of planned development. This encompasses three five year plans covering the period from April 1951 to March 1966, three annual plans for the years 1966-67, 1967-68, and 1968-69 and three years of the current fourth five year plan (1969-70 to 1971-72). During this entire period a massive outlay of about Rs. 300,000 million has been made on various heads of economic and social development. The table below gives the figures for the different plans.

Outlay on Planned Development

	(Rs. million)
First Plan (April 1951 to March 1956)	19,600
Second Plan (April 1956 to March 1961)	46,720
Third Plan (April 1961 to March 1966)	85,720
Annual Plans (1966-67 to 1968-69)	66,250
Fourth Plan (Three years ended 1971-72)	79,690
<hr/>	
<i>Total for 21 years</i>	<i>297,980</i>

The table above relates to outlays on public sector projects only. During the first three plans, there were, besides, investments in the private sector to the tune of Rs. 90,000 million.

Investment in Private Sector

	(Rs. million)
First Plan	18,000
Second Plan	31,000
Third Plan	41,000
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<i>Total</i>	<i>90,000</i>

As a result of outlays of these dimensions, significant advances have been registered in many directions.

Net national product at constant (1948-49) prices increased from Rs. 88,500 million in 1950-51 to Rs. 169,100 million in 1968-69, i.e., by over 91 per cent. *Per capita* net national product also rose by about 30 per cent in the same period. During the first two years of the fourth plan, for which figures are now available, net national product and *per capita* net national product at constant price rose at the average rates of 5.0 per cent and 2.6 per cent, respectively.

Between 1950-51 and 1969-70, agricultural production rose by nearly 75 per cent—as a result of a 28 per cent increase in area and a 37 per cent growth in the yield rate. Within the agricultural sector as a whole, foodgrains which account for about two-thirds of the total value of agricultural production rose at a relatively higher rate than the non-food crops. The output of the first group doubled while that of the second group increased by 71 per cent.

Power generation capacity increased from 2.4 million kW at the end of 1951 to 15.5 million kW at the end of 1969-70. Annual *per capita* consumption of power rose from 18 kWhs to 91 kWhs during the same period. The number of towns and villages electrified rose from 4,633 in March 1951 to 88,621 in March 1970.

In terms of the general index, industrial production nearly trebled between 1951 and 1969. Much more significant than the dimensions of growth were the structural changes in the industrial sector as reflected in the expansion of steel making capacity, growth of heavy machine building capacity, rise of heavy chemical and petro-chemical industries and proliferation of sophisticated manufactures.

It is basically due to the considerable strengthening of the economy in general and the industrial base in particular that India has been able to build up the defence industries—tanks, frigates, jet planes, electronic equipment, heavy guns and ammunition.

Some other indices of economic growth during the period are :

— Paid-up capital of joint stock companies increased from Rs. 7,754 million in 1950-51 to Rs. 37,718 million in 1969-70.

— The value of the total life insurance business in force increased from Rs. 7,447 million at the end of 1950 to Rs. 63,060 million at the end of March 1970. Total premium income on this account rose from Rs. 413 million to Rs. 2,604.1 million.

— Freight carried by Indian railways went up from 44,117 tonne-kilometres in 1950-51 to 125,140 tonne-kilometres in 1968-69.

— The number of motor vehicles on road jumped from 306,000 on 31 March 1951 to 1,673,000 at March-end 1969 while the length of surfaced roads went up from 151,000 kilometres to 325,837 kilometres.

— Indian shipping also registered impressive progress from 391,000 GRT on 31 December 1950 to 2,435,000 GRT on 1 April 1971.

— The number of telephones in the country rose from 168,000 in 1950-51 to 1,217,000 in 1969-70.

— Tax revenue of the governments at the Centre and in the States and Union Territories increased from Rs. 6,267 million in 1950-51 to Rs. 37,587 million in 1968-69.

— Foreign trade of the country rose from Rs. 12,508 million in 1950-51 to Rs. 29,800 million in 1969-70. Of these, the value of exports amounted to Rs. 6,006 million in 1950-51 and Rs. 14,132 million in 1969-70.

The progress achieved by the country in non-economic spheres is no less impressive.

— Expectation of life at birth which was almost static at about 32 years during the two decades, 1931-1951, increased by nearly 30 per cent in the next decade. The figures for the 1961-71 decade has not yet been worked out by the Census Actuary, but from all available indications, it has registered a further rise.

While the emergence of the new wonder drugs of the post-second world war period has no doubt made a large contribution to the rise in the average longevity in India, public health measures such as programmes for the eradication of the killer-epidemics, cholera, typhoid, small pox, and malaria have also played an important part in the process. The conspicuous fall in the average death rate is also partly due to the expansion of hospital and clinic facilities in the country. Table below gives the growth of medical facilities since the beginning of planning :

Medical facilities

	1950-51	1967-70
Hospital and dispensaries (000)	9.2	15.8†
Hospital beds (000)	113	261
Registered Doctors (000)	56	110
Registered nurses (000)	15	66

† 1968-69

Another significant achievement in the post-Independence period is the rise in the literacy rate from 16.67 per cent in 1951 to 29.34 per cent in 1971. The number of school-going population (6-17 years) also increased from 23.50 million in 1950-51 to 74.34 million in 1968-69. While the total population of the country increased by about 45 per cent during this period, the school-going population rose by 216 per cent.

Along with these achievements in various spheres and with a view to creating a social climate more conducive to all-round progress, the country also took in hand a number of programmes for restructuring certain social and economic institutions, such as, the system of land tenure and the managing agency system. Explaining the rationale of these reform measures, Prime Minister Jawaharlal Nehru said in a radio broadcast on 31 December 1952. "Our economy and social structure have outlived their day and it has become a matter of urgent necessity for us to refashion them so that they may promote the happiness of all our people in things material and spiritual."

This is indeed a remarkable record of progress and achievement by any standards. But in the historical setting, in which India is placed today, the achievements impressive as they are fall short of the needs and expectations of the teeming millions who are restless and eager to catch up with the advanced and affluent countries of the world. In the succeeding chapters, we examine the achievements in various sectors and seek to analyse the constraints which have prevented even more rapid progress from being achieved. What, however, emerges quite sharply from the brief survey of the results of the developmental efforts of the last two decades has so far been aptly put by Gunnar Myrdal in a few words: ". . . In India, . . . planning is a going concern and . . . successive plans have taken account of such a variety of relevant issues . . ." (Gunnar Myrdal, *op. cit.* Vol. II, p. 899).

Chapter III

STAGES IN PLANNED DEVELOPMENT

Economic and social progress has always been the paramount goal of the nationalist movements in India and since the late thirties, planning has been accorded a high priority as the means for achieving this goal. The Indian National Congress had set up a Planning Committee on the eve of World War II for formulating policies and projects for wide-ranging developments and even a number of private individuals had published blueprints with the same objectives. The well known Bombay Plan sponsored by leading Indian industrialists like Mr. J. R. D. Tata and Mr. G. D. Birla in 1944 was the last exercise in the series of pre-Independence plans, apart of course from the work done by the Department of Post-War Reconstruction of the Government of India.

Soon after Indian national leaders joined the Interim Government in August 1946, an Advisory Planning Board, was established as stated earlier, for carrying out a survey of the work done previously in the sphere of planning and making appropriate recommendations for further advance. The Board, *inter alia*, suggested that a Central Planning Commission should be set up. The Working Committee of the ruling Indian National Congress in a resolution adopted in January 1950 stressed that :

"The need for a comprehensive plan has become a matter of compelling urgency in India now owing to the ravages of the Second World War and the economic and political consequences of the partition of the country which followed in the wake of the achievement of freedom and the steady worsening of the economic situation in India and the world".

Within a month of the new republican constitution's coming into effect, the Government of India appointed a Planning Commission with Prime Minister Nehru as its Chairman.

Even before the newly constituted Planning Commission could seriously begin its work, the Government of India was required under the decisions of the meeting of the Colombo Plan Consultative Committee (consisting of India, Pakistan, Ceylon, Malaya, Singapore, North Borneo and Sarawak) to undertake the drawing up of a few projects. This task was naturally entrusted to the Planning Commission. The schemes drawn up for this purpose formed the core of the First Five

Year Plan, subsequently prepared by the Commission. "The Five Year Plan . . . represents in some ways an advance on the Colombo Plan published last year . . . some of the schemes figuring in the Colombo Plan have been excluded or modified and some new schemes have been introduced". (Govt. of India, Planning Commission, *The First Five Year Plan, A Draft Outline*, July 1951, p. 2)

Although the final version of the first plan worked out long-term projections of national income, investment and aggregate consumption expenditure forecasting a doubling of the 1950-51 national income by 1971-72 (i.e., in 21 years) and of *per capita* national income by 1977-78 (i.e., in 27 years), "its goals were related *more to the immediate requirements and possibilities of the economy than to the long term perspective* which was outlined in the report". (J. J. Anjaria, Economic Adviser to the Planning Commission in Govt. of India, *Facets of Planning*, p. 74 emphasis added.)

Professor P. C. Mahalanobis, long time a member of the Planning Commission, also conceded that the first plan "was essentially a list of projects without any clear unity of purpose". (P. C. Mahalanobis, *Address to the National Institute of Sciences of India*, January 20, 1959, p. 1.)

The main objectives of the first five year plan were two : (a) a substantial rise in the production of foodgrain and agricultural raw materials and, more particularly, the creation and mobilisation of a sizable surplus of foodgrains for sustaining a larger non-agricultural employment, and (b) expansion and strengthening of the economic infrastructure through the development of irrigation and power in particular.

In the industrial sector, though the first plan proclaimed the objective of an expansion of capacity in capital and producer goods industries like steel, aluminium, heavy chemicals and machine tools its emphasis was on (i) the *fuller utilisation of existing capacity* in industries like cotton textiles, sugar, soap, and vanaspati, and (ii) the completion of the industrial units on which considerable capital expenditure had already been incurred.

Real and serious efforts for a faster economic development admittedly began from the second plan. Professor P. C. Mahalanobis rightly says that "a sense of strategy began to develop and certain broad aims were formulated in advance in 1954 for the preparation of the draft frame for the Second Five Year Plan". (P. C. Mahalanobis, *ibid*).

While the general aims of securing a sizable increase in national income, expansion of employment opportunities and reduction of economic inequalities—aims common to all the plans formulated so far—were put in the forefront in the second plan too, its real core was

the emphasis on rapid industrialisation with particular emphasis on the development of basic and heavy industries, principally in the public sector.

This shift in emphasis will be clear from a comparison of the distribution of outlays by major heads of development under the two plans.

Distribution of Outlay
(In P.C.)

	First Plan	Second Plan
1. Agriculture and Community Development	15.1	11.8
2. Irrigation and Power	28.1	19.0
3. Industry and Mining of which :	7.6	18.5
large and medium industry and mining	6.3	14.4
4. Transport and Communication	23.6	28.9
5. Social Service	22.6	19.7
6. Miscellaneous	3.0	2.1
7. Total	100.0	100.0

The third plan sought to carry forward the main strategy of the second plan when it set out to "expand basic industries like steel, chemical industry, fuel and power and establish machine-building capacity, so that the requirements of further industrialisation can be met within a period of 10 years or so mainly from the country's own reserves".

As a corollary to this aim, the share of public sector outlay on industry and mining was further raised from 14.4 per cent in the second plan to 20 per cent in the third plan.

Indeed, in the aggregate investment by the public and private sectors, the share of organised industry and mineral was exactly 25 per cent. The share of power—a prime requisite for the working and expansion of industry—was also raised from eight per cent of the public sector outlay in the second plan to 13 per cent in the third plan.

Along with this continued, and indeed increased, emphasis on industry, the third plan, however, paid a somewhat greater attention to agriculture than was the case in the second plan. Because of the increasing gap between the country's foodgrain and raw materials requirements and their indigenous supply, the third plan laid stress on the need "to achieve self-sufficiency in foodgrain and increase agricultural production to meet the requirements of industry and export". Consequently, outlay on agriculture was raised from less than 12 per cent in the second plan to 14 per cent in the third plan.

During the annual plans (1966-67 to 1968-69) in the interregnum between the third and the fourth five year plans, the basic pattern of the third plan continued to assert itself, although these annual plans were not formulated on the basis of a long-term strategy perspective. Thus the shares of industry, power and agriculture increased from 20.1 per cent, 14.6 per cent and 12.7 per cent of the actual public sector outlay during the third plan to 22.8 per cent, 18.3 per cent and 16.7 per cent in the aggregate actual outlay during the three annual plans.

Because of a number of setbacks on the economic front which brought to the fore certain basic weaknesses of the economic developments so far achieved, the finalisation of the fourth plan was delayed by three years after the completion of the third plan period. During this period three successive versions of the fourth plan were prepared and published. The specific objectives of the fourth plan, as elaborated in initial documents, reveal a certain diffusion of the focus and blurring of the priorities inasmuch as a number of tasks was sought to be accorded equal importance, as may be seen below.

The first draft (August 1966) provided for :

- (i) Highest priority to schemes of agricultural and industrial production as are designed to promote exports and replace imports.
- (ii) Highest priority, (again) to industrial programmes for the production of fertilisers, insecticides and agricultural implements including pumps, diesel engines, tractors, etc.
- (iii) Stepping up the production of mass consumption goods like textiles, sugar, paper, kerosene, etc.
- (iv) Expedited completion of projects in metal, machinery, chemical, mining, power and transport industries and adoption of new schemes in the spheres for keeping up the momentum of economic growth already built up and for meeting the basic needs of the country during the fifth plan.

The second draft of the fourth plan (March 1969) sought to solve the problem of multiple and somewhat conflicting priorities by stating the constraints under which the programmes for the plan period had to be evolved rather than defining the priorities. It postulated the aim of an "acceleration of the tempo of development in conditions of stability and reduced uncertainties" and proposed that outlays on the plan "be closely related to the possibility of raising resources in a non-inflationary way". The final version of the fourth plan as it emerged in 1970 formulated two concrete aims and a few general guidelines. The concrete aims are :

- (i) To do away with food imports under PL 480 by 1971 ; and

- (ii) To reduce net foreign aid to about half by the end of the fourth plan compared to the 1968-69 level.

The general guidelines are :

- (i) To step up the tempo of activity to the extent compatible with maintenance of stability and progress towards self-reliance ;
- (ii) To strike a balance between progress towards technological advance and achievement of dispersal of industrial activity and enterprise ;
- (iii) To reduce the concentration of economic power ; and
- (iv) To improve the performance of the public sector.

The pattern of outlay in the fourth plan reveals some departures from that in the third plan. The share of agriculture has been significantly raised from 14.0 per cent to 17.4 per cent. Industry's allocation is only slightly higher at 21.4 per cent in the fourth plan as against 20 per cent in the third plan. As a consequence of this relative upgrading of agriculture and industry, power, transport and communication have suffered a relative cut.

Basing itself on the observed rates of economic and population growth since the inception of planning, the fourth plan makes a revised projection of the major macro-economic indicators for the period 1968-69 to 1980-81 as in table below :

Projection of Growth Rates—1968-69 to 1980-81

	1968-69	1973-74	1978-79 (Rs. 100 crores in 1968-69 Prices)	1980-81	Index of growth 1980-81 over 1968-69
Net domestic product at factor cost	290.7	383.1	517.0	582.2	200
Net domestic product at market price	317.6	418.6	571.0	644.4	203
Net imports of goods and services	3.1	2.3	(—)1.0	(—)2.0	
Net domestic expenditure of which : net investment	320.7	420.9	570.0	642.4	200
Government consumption	32.3	55.0	86.2	102.5	317
Private consumption	29.0	41.0	55.0	62.0	200
Per capita private consumption (Rs.)	488	545	644	693	142
Per capita net domestic product (Rs.)	552	643	776	844	153
Projected mid-year population (in million)	527	596	666	690	131

The various long-term projections made by the Planning Commission had promised a doubling of the *per capita* real national income in about two decades. But the performance of 21 years of planning has fallen far short of the projection. Between 1950-51 and 1970-71 the index number of *per capita* net national product at constant prices registered a rise of less than 40 per cent. The causes of this shortfall are many. The principal factors of the failure to reach the postulated rate of growth may be listed as below :

- (i) High rate of population growth ;
- (ii) Stagnant agriculture accompanied by the several bad harvests ;
- (iii) Shortfall in foreign exchange availability ;
- (iv) Persistent inflationary build up ;
- (v) Critical developments in foreign relations including three wars and the consequent step-up in defence expenditure ; and
- (vi) Recession.

(i) When the original projection was made in the first five year plan the population growth was assumed at 12.5 per cent per decade in the entire period to which the projection related. In reality, however, population has increased during the whole period at about double the rate assumed in the projection. As a result a large part of the meagre rate of the growth of the net national product has been absorbed by the expanding population, allowing for only a marginal rise in the *per capita* net national product, as may be seen in the table below :

Annual Rate of Growth

	Net national product	Net per capita national product
	(in constant price)	
First Plan	3.5	1.6
Second Plan	4.0	1.8
Third Plan	2.5	0.2
1966-67	1.5	— 0.8
1967-68	9.2	6.9
1968-69	2.4	0.2
1969-70	5.3	2.9
1970-71	4.7	2.4

(ii) During the 17 years from 1950-51 to 1966-67 the average annual growth of agricultural production did not even keep pace with population growth. Independent India started with a large deficit in indigenous food supply. The failure of agriculture to grow at an appropriate rate entailed the necessity of importing food on an increasing

scale. This exerted a heavy adverse pressure on the meagre foreign exchange resources and compelled the country to incur huge foreign debts. The pre-emption of a large part of available foreign exchange and aid resources by unavoidable food import commitments reduced the wherewithal for importing essential requirements for planned development.

(iii) With over Rs. 10,000 million accumulated as sterling balances the balance of payments did not present any problem in the first plan period. The actual deficit amounted to Rs. 3,180 million. It was met to the extent of Rs. 1,960 million by external assistance and Rs. 1,220 million by withdrawals from the country's foreign exchange reserves. The second plan with a far greater stress on industrialisation naturally required a heavier expenditure of foreign exchange.

Moreover in the early years of the second plan, a sizable amount of foreign exchange resources was frittered away in non-essential imports. The second plan report had estimated a net deficit in the balance of payments over the five year period at about Rs. 11,000 million and had estimated that Rs. 8,000 million out of this would be met by external assistance. Because of the drawing down of the accumulated foreign exchange reserves partly as a result of non-essential imports and partly due to the tardiness of the inflow of external assistance, the second plan ran into serious balance of payment difficulties in the early years and a re-appraisal became necessary in 1958. Even after stringent restrictions had been imposed on less essential imports, foreign exchange reserves had to be drawn down by Rs. 6,000 million in the second plan period. In addition, external assistance of the order of Rs. 8,720 million was utilised in the public as well as private sectors besides commodity imports of Rs. 5,340 million under the USPL 480 assistance and drawal of over Rs. 550 million from the International Monetary Fund.

The third five year plan started with heavy strains on the balance of payments. The situation worsened as a result of the rising food and other imports and sluggish growth of exports. The two wars in 1962 and 1965 increased pressure on foreign exchange resources. Two consecutive years of drought aggravated an already difficult situation. The temporary suspension of foreign aid by the major donor countries following the war with Pakistan in 1965 strained the foreign exchange position still further. The growing inflationary trend in the economy weakened the position of the Indian rupee and exports in the world market. The rupee was devalued in June 1966 at the suggestion of the World Bank. This, however, failed to have a favourable impact immediately on the balance of payments position. It was not until a sharp improvement was registered on the agricultural front following the green revolution in the late sixties that the balance of payments

position eased to a certain extent, despite the tapering off of the inflow of the foreign aids.

(iv) Following the break in the Korean war boom that took place in 1952, and generally good harvests thereafter, the price level during the first plan period was more or less steady. The second plan period, on the other hand was characterised by a persistent upward trend in prices. Over the five year period the rise in the general index numbers of wholesale prices was about 30 per cent.

Shortfall in agricultural and industrial production, accompanied by increased defence expenditure and involvement in two wars with China and Pakistan in 1962 and 1965 respectively, led to a sharp rise in the price level during the third plan period. The index numbers of wholesale prices were 36.4 per cent higher in 1965-66 as compared to 1960-61.

During the drought year of 1966-67, wholesale prices rose by 16 per cent, followed by a further rise of 11 per cent in the next year. After a slight fall, of about two percentage points in 1968-69 the general index numbers again started going up and rose by four per cent in the next and six per cent in the following year. The persistent rise in the price level has not only pushed up the costs of the projects in hand, but also necessitated increased grant of dearness allowance to Government employees and industrial workers. The resulting increases in non-plan expenditure has adversely affected the Government's capacity to step up investments. The almost continuous rise in the price level has also had an adverse impact on the country's export performance, and thereby on the foreign exchange earning.

(v) Since Pakistan opted for a military alliance with the United States in 1954 and started arming herself on a large scale. India had to devote a sizable part of her investible resources to expenditure on defence. This burden was further increased after the Sino-Indian border war of 1962. India then prepared a five year defence plan of over Rs. 50,000 million which cut into the outlays on economic and social development. The two wars with Pakistan in 1965 and 1971 obviously imposed a heavy burden of expenditure and thereby had a certain retarding impact on the progress of the plans.

(vi) The country experienced severe recessionary conditions in 1966-67 and 1967-68. The growth rate of industrial production slumped from about 7.8 per cent a year during the third plan and 5.3 per cent in 1965-66 to 0.3 per cent and 0.5 per cent in 1966-67 and 1967-68 respectively.

The recession was caused by a number of factors, of which the following two were most important :

(a) Severe drought leading to sharp falls in agricultural production in 1965-66 and 1966-67.

(b) Deterioration of the balance of payments position on account of a fall in exports, increase in foreign exchange expenditure on imports of foodgrains, rising burden of foreign exchange expenditure for the servicing of foreign aid and interruption and tapering off in the inflow of foreign aid. All this created a complex situation. Deterioration of agricultural production acted on the situation in two different ways. First, it created a serious shortage of agricultural inputs for agro-based industries like textiles, sugar, etc. Secondly, the price inflation caused by the shortage of foodgrains and agricultural produce led to a contraction of the market for a number of industrial commodities, which, in turn led to a slashing down of production, to layoffs, retrenchments and even total closures of the plants and factories.

The suspension and tapering off of the foreign inflow also had two different impacts on the situation. On the one hand, the squeeze on the foreign exchange resources led to a fall in the essential maintenance imports and, on the other, resulted in a cut back in the public expenditure programmes. The last had a spread effect on the entire economy.

A process of recovery from the effects of two years of abnormal drought and the aftermath of a war began in 1967-68 when national income rose by 8.9 per cent as a result of normal monsoons, supplemented by a massive programme of agricultural improvements. The year also witnessed a marginal increase in industrial production. The improvement in industrial production gathered momentum in the next year when exports also registered a sharp increase, although agriculture suffered a slight setback from the record high of 1967-68.

The favourable climate ushered in by the restoration of stability to the economy and improvements in export encouraged the Government to launch on the fourth five year plan from 1969-70 so that the country could resume its journey along the charted path.

Chapter IV

POPULATION AND FOOD SUPPLY

The most difficult problem that has bedevilled the path of the country since the dawn of Independence is the growing gap between population and food supply. It is only since 1968 that this gap has started narrowing down. According to revised estimates, mid-year population increased by about 42 per cent from 357.7 million in 1950 to 511.3 million in 1967 while net production of cereals rose by about 30 per cent, e.g., from 44.50 million tonnes to 57.65 million tonnes during the period. As a result, the country had to import from outside an increasing quantity of foodgrains from year to year. Table below gives the figures of the annual imports of foodgrains for the 20 year period from 1947 to 1967.

Import of Foodgrains into India

Year	Quantity (in million tonnes)
1947	2.7
1948	2.8
1949	3.6
1950	2.1
1951	4.8
1952	3.9
1953	2.0
1954	0.8
1955	0.6
1956	1.4
1957	3.6
1958	3.2
1959	3.7
1960	5.1
1961	3.5
1962	3.6
1963	6.3
1964	4.6
1965	7.5
1966	10.4
1967	8.7
Total	86.9

It will be seen from the table that except for the four years of the first plan period (1952 to 1955) during which food imports had steadily declined, the trend has been one of a progressive increase—the peak being reached in 1966 with over 10 million tonnes of imports.

The gap between foodgrains requirements and supplies does not depend on the simple equation of population growth and increase in the total production of foodgrains in the country. Two other related factors are the rise in urbanisation and the growth of the marketed surplus. During the period under review, the population of cities (of 100,000 population and over) in India increased at the rate of about 3.4 per cent per year, compared with the national growth rate of about 2.3 per cent. In contrast to the rural population, an overwhelming majority of whom consist of either foodgrains producers or agricultural workers getting part of their wages in kind, the urban population can get their supply only through market transactions. As a consequence of the developments in the countryside since Independence—land and tenancy reforms, vast public outlay on the development of the rural economy, relative rise of agricultural prices compared to the industrial goods—a section of the farming population has improved its economic status and living conditions. The poorer elements among them have increased their consumption of foodgrains and this has adversely affected the proportion of the total produce that comes to the market.

As a result of a combination of these, somewhat contradictory, circumstances, the share of imports in the total supplies of foodgrain steadily increased despite a sizable rise in the indigenous production of foodgrains. This may be seen in table below :

Share of Imports in Total Foodgrains Supply

<u>Five Year ended</u>	<u>Average Annual Production</u>	<u>Average Annual Imports</u>	<u>Imports as p.c. of total supply</u>
	'000 tonnes	'000 tonnes	
1956	65,837	1,792	2.6
1961	75,249	3,874	4.9
1966	80,528	6,494	7.5

In its struggle to feed the people of the country, the Government of India entered into a special agreement with the United States of America. Faced with an acute scarcity of food, further complicated by the inflationary pressures generated by the Korean War boom in 1951, the Government of India secured from the USA an *ad hoc* assistance of two million tons of wheat, valued at 190 million dollars.

"This", as Professor V. M. Dandekar has aptly remarked, "was a prelude to what became a normal policy five years later." Professor Dandekar here refers to PL 480 agreements.

In August 1956, India signed her first agreement with the USA under the U.S. Government's Public Law 480. Between then and 1966, there were about a dozen additional agreements and 30 supplemental agreements signed by the two countries. When India had signed her first PL 480 agreement, the US Act provided for the export of the surplus agricultural commodities against payment in instalments in the recipient country's currency. Subsequently as the problem of the USA's domestic surplus of agricultural commodities gradually eased, the US Government introduced some stringent terms in the PL 480 agreements.

This shift at the US end was very candidly stated in a paper by Samuel A. Costenzo, Financial Attaché in the US Embassy in New Delhi. 'With population growth', he said, "outstripping food production in vast areas of the world and our domestic consumption rising steadily, US stock of surplus commodities have dwindled. Far from being a surplus disposal problem, wheat and other farm products have become the US's number one dollar export-earner."

As a matter of fact, the US carry-over, which in 1965 was 22 million tonnes—hardly enough for an adequate reserve—fell to about 10 million tonnes next year, that is, far below the level considered to be satisfactory.

Between August 1956 and June 1967, India imported from the USA agricultural commodities valued at Rs. 20,700 million (including ocean transportation charges) under PL 480 programmes.

Under the original agreements, a major portion of the rupee equivalent of the dollar cost of PL 480 supplies was, however to be subsequently made available to the Government of India as loans or grants for expenditure on mutually agreed development projects and the balance was to be retained by the US Government, partly for its own use and partly for giving loans to US firms or their affiliates for investment in India. Subsequent to the amendment of the PL 480 in 1966, 80 per cent of the value of each consignment has now to be paid in dollars or other convertible currency.

The total liabilities, accumulated by India under PL 480 up to 1970-71 amounted to Rs. 25,188 million. Of this, Rs. 19,035 million pertained to the period before the introduction of the liability for repayment in dollars. A total liability of Rs. 7,578 million was contracted after the amendment to the provisions of the US Public Law 480. Under this amended Act, out of the total bill of Rs. 7,578 million for imports

between 1967-68 and 1969-70 (inclusive), a total of Rs. 2,342 million has to be repaid in convertible currency.

A sense of dismay has been building up in the country regarding the steadily increasing dependence on PL 480 supplies for feeding the people. Some prominent economists in India have also expressed concern over the inflationary impact of the expenditure of the large volume of rupee counterparts of PL 480 funds. When on top of all this, the USA herself felt inclined to stiffen the terms of supply and to demand payments in hard currencies for 80 per cent of the consignments, the Government of India felt constrained to reinforce measures for self-reliance in food supplies. A committee with Mr. B. Venkatappiah as Chairman and Dr. D. R. Gadgil and Professor M. L. Dantwala as members was appointed on 15 March 1966 to examine the related questions and make appropriate recommendations.

The committee did its work very expeditiously and submitted its report in exactly six months. It remarked :

"In formulating future food policy, then, the changed perspective in respect of imports has to be firmly kept in view. Our dependence on imports was undesirable in the past. In future, it may not be feasible . . . there can no longer be reliance on imports ; there can only be self-reliance." (*Govt. of India, Report of the Foodgrains Policy Committee, 1966*, p. 19).

The committee specifically recommended that :

- (i) The country must achieve self-sufficiency in foodgrains as quickly as possible, and,
- (ii) To the extent imports will be available, they should be used for building up reserves.

Fortunately for the country the production of foodgrains, which had touched the lowest level since 1961 in 1966, started picking up after 1967 and the quantity of imports also started coming down correspondingly as table below shows :

*Net Production and Imports of Foodgrains
(in million tonnes)*

	Net production of foodgrains	Imports	Imports as p.c. of net available quantity
1966	63.30	10.36	14.1
1967*	64.90	8.67	11.7
1968*	83.17	5.69	6.6
1969*	82.26	3.87	4.5
1970*	87.06	3.63	4.1
1971*	94.33	2.10	2.2

* *Provisional*.

It will be seen from the above that imports as a proportion of the total net available quantity has steadily declined from 14.1 per cent in 1966 to 2.2 per cent in 1971. A remarkable achievement by itself, no doubt. But in this connection, it should also be noted that *per capita* availability of foodgrains per day in 1971 was only 16.12 ozs.—below the level of availabilities in 1961, 1962 and 1965.

We have so far confined our discussion on the food problem to one side of the equation only—viz., the question of supply. The other side of the equation relates to the rate of growth of population. We have seen earlier that the Planning Commission while drafting the first plan had assumed the rate of population growth at slightly over one per cent per annum for the entire period of the perspective plan—i.e., about 25 to 27 years. In reality the rate all through exceeded two per cent per annum and at present stands at almost 2.5 per cent. This is due to the fall in the death rate from about 27 per thousand population to 23 per thousand whereas there has been no change of the birth rate of almost 40 per thousand population. When this reality—of a steadily high birth rate as against a sharply falling death rate—was noted to have upset the optimistic projections of economic growth rate made in the first and the second five year plans, the Planning Commission woke up to the prime importance of population control measures. "The objective", the third five year plan stressed, "of stabilising the growth of population over a reasonable period must, therefore, be at the centre of planned development."

Allocation for family planning programmes was accordingly raised from the nominal sum of Rs. 1.4 million in the first plan and Rs. 21 million in the second plan to Rs. 248.6 million in the third. During the three annual plan years, this expenditure was further stepped up to Rs. 604.8 million. The fourth plan has increased the allocation under this head more than sixfold to Rs. 3,150 million.

"In order" says the fourth plan, "to make economic development yield tangible benefits for the ordinary people, it is necessary that the birth rate be brought down substantially as early as possible. It is proposed to aim at its reduction from 39 per thousand to 25 per thousand population within the next 10-12 years." (*Fourth Five Year Plan—1969-74*, p. 391).

With this aim in view, "mass media like the press and the radio have been pressed into service, both the written and spoken word are being used to carry the message. Posters, pictures, hoardings, not to forget the ever present red triangle, are in evidence everywhere," says a commentator. (A. R. Kamat in *Economic & Political Weekly*, Bombay, 27 March 1971)

Since the inception of the programmes, a total of 900,000 sterilisation operations, giving a rate of 16.3 per thousand population and

3.9 million IUCD insertions giving a rate of 7.1 per thousand population have been performed up to 1 July 1971. But a disquieting feature of the situation is that in recent years both the programmes are showing a downward trend as may be seen from table below :

Family Planning Programme (million)

	Sterilisation		IUCD	
	Target	Achievement	Target	
1967-68	1.54	1.84	2.00	0.67
1968-69	3.16	1.66	2.11	0.48
1969-70	3.24	1.42	1.62	0.46
1970-71	2.60	1.28	0.90	0.46

(Source : Planning Commission, *Fourth Plan Mid-term Appraisal*, Part II, p. 222)

Prime Minister Mrs. Indira Gandhi pointed out in her address to the Sixth All India Conference on Family Planning in December 1968 that the success of the family planning programmes had so far been limited to certain small pockets such as the most affluent section of the society, and to the urban middle class and skilled industrial workers to a certain extent.

This relatively greater success of the family planning movement in certain comparatively better-off segments of society is not fortuitous. There is an observed relationship between economic well-being and low birth rate. As Professor W. Arthur Lewis says, "In the past hundred years, some European birth rates have fallen from around thirty-five to as low as fifteen per thousand. Some part of this fall was due to an increase in the number of women remaining unmarried, and some part may have been due to the later age of marriage, but much the greatest part has been due to the unwillingness to bear children. We do not know what has caused this decline. We assume, and argue, that it followed inevitably from the process of economic growth, and that it will be repeated in all countries as they undergo the same process." (W. Arthur Lewis, *The Theory of Economic Growth*, ELBS, p. 311)

"The crux of the population problem" says another specialist on the subject, "lies in the poverty of the country . . . Fecundity grows in poverty and adoption of high standard of life reduces the size of the family." (G. C. Hallen, in *Yojana*, 9 July 1967).

Although under-development and high population growth are undoubtedly two segments of a vicious circle, India cannot afford to rest at that realisation. It has been rightly pointed out that :

"In the developed countries of the West, the socalled 'demographic

'transition' that is, the decline in mortality and the simultaneous decline in birth-rate occurred over a long period as part of the general social transformation in the wake of industrial and economic progress. Developing countries like India are still way off from the stage of economic and social development which can induce a substantial decline in the birth-rate . . . these countries cannot wait for the demographic transition to overtake them in the long run. By adopting family planning programmes India, like many other countries, is trying to meet it half-way." (A. R. Kamat, in *Economic & Political Weekly*, op. cit.)

In her bid to win the battle of self-reliance in the matter of food supply as well as to cross the hump in the transition from under-development to a developed society India has to achieve much greater success than so far registered in the population control programmes in the coming decades. This is a major challenge facing the country on the 25th anniversary of freedom.

Chapter V

BREAKTHROUGH IN AGRICULTURE

In the decades preceding the transfer of power, Indian agriculture had been deteriorating rather fast. In 1880, according to an authority on agricultural economics, India had a surplus of foodstuffs to the extent of five million tonnes, but on the eve of Independence, the country faced a deficit of about 10 million tonnes. The *per capita* consumption of cereals had in the meantime declined from 1.5 lbs. to 1 lb.

A study jointly made by the Directorate of Economics and Statistics in the Union Ministry of Food and Agriculture and the Agro-Economic Research Centre of the Delhi University has brought out the fact that the index numbers of agricultural production for undivided India had been falling at the rate of 0.02 per cent per annum during the 24 year period prior to the transfer of power. An analysis of the data for the Indian Union for the 15 year period preceding the first five year plan showed that the rate of decline had sharply increased to 0.68 per cent a year.

As a result of this accelerating deterioration of agriculture—by far the largest and most important sector of the Indian economy—the Government of free India was faced with a critical situation, immediately on the assumption of power. We have seen in the preceding chapter how the country had to step up its imports of foodgrains year by year to feed the people and how major agro-industries like cotton and jute textiles had been facing an acute shortage of the staple raw materials.

The Planning Commission described the existing situation in the following words : "The bulk of the agricultural producers live on the margin and are unable to invest in the improvement of land. There is widespread under-employment of the agricultural producers and artisans and the rural economy cannot provide and sustain continuous employment for the available labour. The problems of Indian agriculture are far more fundamental than is commonly appreciated.....

"The conditions of Indian agriculture are typical of a static, backward economy which is unable to expand and keep pace with the growing population."

Just as there was a keen awareness in the country of the state of

utter bankruptcy that agriculture had reached, so also was there a wide consensus as to the causes of this deterioration. A large volume of academic research and official investigations through commissions and committees had pinpointed the roots of the agricultural crisis in the country in the land relations that had evolved during the period of British rule.

The then principal systems of land tenure, introduced by the British in India, viz., the permanent settlement, the ryotwari system and mahalwari system had, despite many significant juridical differences among them, all led to the growth of sub-infeudation. The net result was, in the words of the Congress Agrarian Reforms Committee, headed by the Gandhian Economist, Dr. J. C. Kumarappa, the disintegration of the rural economy, control over land by a body of non-agricultural population, exploitation of the tillers of the soil by a hierarchy of rent-receiving interests with the absentee landlord at the top and a total absence of planned efforts and investments to maximise agricultural production.

"It has been found by experience", said the Congress Agrarian Reforms Committee, "that unless land is owned by the tiller, his incentive to production does not reach the optimum point. Because of the absence of any guarantee that he would get the full benefit resulting from the improvement, he has no desire to make any improvement in land he cultivates. The improvement, if any, made by him, will only enhance the rate of the rent, which he has to pay even if he is allowed to enjoy security of tenure."

In the light of these considerations, the leaders of the country worked out a programme of simultaneous, multi-pronged attack on the phenomenon of agricultural crisis. Actions were initiated at three levels—

- (i) institutional level of reforms of the agrarian structure and tenancy legislation,
- (ii) technological level for raising the quality of agricultural operations from time-worn, traditional practices to those of a modern industry based on scientific methods, and
- (iii) organisational level for introducing enlightenment and collective self-help through community efforts and co-operation among the rural population.

Significant progress has been achieved in all these directions. Land and tenancy reforms, which we discuss at some length in the next chapter, though considerably short of the stated goals, have nevertheless changed the face of rural India. The Community Development

Programme which was launched on 2 October 1952 on a limited scale, with the object of developing human and material resources in the villages now covers the whole of India's countryside. Under this programme, roads have been laid, land reclaimed, improved and irrigated, improved seeds and agricultural implements, chemical fertilisers and pesticides distributed, besides various other programmes of rural development—such as, sanitation and education—that have been undertaken. Table below gives some indications of achievements under the Community Development Programme for the years 1969 and 1970.

Community Development Programme—Some Achievements

	Year ended June	
	1969	1970
Improved seeds distributed (quintals)	46,50,700	54,45,500
Chemical fertilisers distributed (quintals)	4,61,80,900	5,85,34,800
Chemical pesticides distributed (Nos.)	3,87,206	5,19,008
Improved implements distributed (Nos.)	5,34,907	5,13,610
Net additional area likely to be irrigated (hectares)	14,99,929	15,48,691
Land reclaimed (hectares)	2,75,522	3,43,901
Land bunded and terraced (hectares)	15,39,193	10,70,909

(Source : Govt. of India, India 1971-72, pages 284-5)

The volume of agricultural credit provided by cooperative societies has increased substantially during this period. In 1951-52 according to the All-India Rural Credit Survey of the Reserve Bank of India, the total annual borrowings of the cultivators were estimated at Rs. 7,500 million and the proportion of borrowing from the cooperative societies was 3.1 per cent or Rs. 232.5 million. As against this, the volume of cooperative credit (short- and medium-term) for agricultural purposes stood at Rs. 2,030 million in 1960-61 and Rs. 4,900 million in 1968-69. Long-term cooperative credit which was almost totally absent in 1951-52 stood at Rs. 120 million in 1960-61 and about Rs. 1,200 million in 1968-69. The total value of agricultural inputs distributed and produce handled by cooperative agencies in 1968-69 stood at Rs. 2,000 million and Rs. 5,830 million respectively. Besides, scheduled bank credits to agriculture which stood at less than Rs. 40 million at the end of 1965 increased a hundredfold to Rs. 4,000 million in September 1970, following the new directives to the nationalised banks.

More importantly, a string of agricultural research centres, agricultural universities and model farms for developing hybrid strains suited to Indian soil and climatic conditions was set up under the central direction of the Indian Council for Agricultural Research. A sum

of Rs. 850 million has been provided in the fourth plan for promotion of agricultural research and education.

Along with all this a massive programme for irrigation and fertiliser production was also initiated.

Beginning with the first plan up to 31 March 1970, a total sum of Rs. 1,960 crores has been spent on irrigation under the public sector. The area under major and minor irrigation increased from 9.7 million hectares at the commencement of the first plan to a potential of 18.5 million hectares and a utilisation of 16.8 million hectares by the end of 1968-69. The potential is targeted to rise to 23.3 million hectares and utilisation to 20.7 million hectares at the end of the fourth plan. Besides, with the extension of rural electrification, the number of energised pump sets has increased from 160,000 in 1960-61 to 1,342,006 in 1969-70.

Production and imports of nitrogenous fertilisers (N) have increased from 16,000 tonnes and 29,000 tonnes respectively in 1951-52 to 830,000 tonnes and 477,000 tonnes respectively in 1970-71 raising the total availability from a mere 45,000 tonnes to 1,307,000 tonnes. The availability of phosphatic fertilisers (P_2O_5) has also gone up during this period from 11,000 tonnes to 261,000 tonnes.

Though the food gap had increased over the years, agriculture had nevertheless continued to register improvement in step with the progress of its own infra-structure. This will be evident from Table below :

Progress of Agriculture

	Compound rate of growth		
	Production	Area	Productivity
First Plan Period (1951-52 to 1955-56)	4.1	2.6	1.4
Second Plan Period (1956-57 to 1960-61)	3.1	1.3	1.8
Third Plan Period (1961-62 to 1964-65)	3.3	0.6	2.7

Note : The above estimates are calculated for the first plan for the triennium ending 1951-52 to triennium ending 1956-57 and for the second plan for triennium ending 1956-57 to triennium ending 1961-62 and for the third plan triennium during 1961-62 to 1964-65 (actuals).

(Source : Government of India, Fourth Five Year Plan, 1969-74, p. 118)

It will be seen that while the rate of growth in cultivated area has steadily fallen from plan to plan due to obvious physical limitations, the growth rate of productivity has risen consistently and recorded an

impressive jump in the third plan period over the rate in the second plan period.

Indeed, over the 20 year period from 1950-51 through 1969-70 agricultural production in India increased from year to year except for three drought years. Index numbers of agricultural production (base : 1949-50 to 1951-52 average = 100) declined for the first time since the inception of planning in 1956-57 by 0.4 percentage points from 122.2 in the previous year to 121.8. It next declined from 150.9 in 1963-64 to 148.6 and 144.7 in 1964-65 and 1965-66 respectively. Since 1966-67 it has been rising steadily.

The breakthrough in agriculture really dates from 1967-68 when after the end of successive drought years, the production of foodgrains shot up to 95.05 million tonnes from 74.23 million tonnes in the previous year and surpassed the previous peak of 89.34 million tonne production in 1964-65. After a slight fall next year, it again started going up—to 99.50 million tonnes in 1969-70 and 107.81 million tonnes in 1970-71. The estimate for the production of 1971-72 is over 111 million tonnes.

The story of the recent successes on the agricultural front is linked up with the formulation and application of what is known as the new agricultural strategy. This strategy had its origin in the recommendations of the Agricultural Production Team sponsored by the Ford Foundation on the eve of the third plan. The team recommended concentrated efforts in scientifically selected areas, instead of spreading the limited resources over much wider fields. More specifically, the team suggested the application of a 'package' of improved agricultural practices like use of fertilisers, improved seeds, plant protection measures and, of course, provision of necessary credit, to selected cultivators in selected areas who should also be helped to work out their farm production plans. Under this plan, which came to be known as Intensive Agricultural Districts Programme (IADP), starting with seven districts, one each in the same number of States in 1960-61. Altogether 308 development blocks or 5 per cent of the total cultivated area of the country came to be covered by the end of the third plan.

In addition to the 'package' districts covered by the IADP, the third plan also initiated a parallel programme called Intensive Agricultural Area Programme (IAAP) which sought to cover a wider area but less intensively than the other programme.

These two strategies were both based on the observation that 37 per cent of the total foodgrains output of the country originated in areas which enjoyed assured water supply both in volume and spread from assured rainfall or other sources of irrigation and, hence, were not unduly dependent upon the vagaries of monsoons. The new strategy

aimed at canalising concentrated attention to this category of land in the first instance.

Up to the year 1964, the IADP and IAAP were able, through a higher concentration of traditional inputs and fertilisers, to increase the yields for some crops by as much as up to 30 per cent of their previous averages. But this hardly compensated the farmers for their additional outlay on the inputs. So the programme was only a limited success. But then came the miracle seeds which almost revolutionised the situation on the agricultural front. Let us quote a succinct account of this historic achievement which has already nearly succeeded in wiping out our chronic food deficit and promises even to enable us to resume food exports in the near future.

The story of the opening of this new horizon in the sphere of food-grains cultivation was very succinctly narrated in an article in the well-known London journal, *The Economist*. Here are some excerpts from it :

"The miracle wheat began in Mexico where a research team disproved the old assumption that many-seeded plants had to be tall and produced the first dwarf wheat. The main advantage of the dwarf wheat over the old tall varieties was that it could take much higher doses of fertilizer without falling over. At the end of 1963 Mexican wheat was brought to India and after field testing was distributed throughout the country. It yielded up to 50 per cent more than the Punjab wheat. But Dr. Athwal continued selecting from among the thousands of Mexican breeding lines and came up with another dwarf that averaged 30 per cent higher than the first Mexican import. In the 1966 harvest, the 80 Punjab farmers who had tested this new line, PV 18, produced 2.5 to 3 tons an acre, against the Punjab average of 1,100 pounds per acre (about half a tonne) and the all-India average of 800 pounds (about 4/11ths of a tonne).

"PV 18 was setting records but it still wasn't the answer. For PV 18 is a red-seeded wheat and the Indian peasant has a centuries old attachment to amber-coloured chapatis. So one year after the first release of PV 18, Dr. Athwal found a sister dwarf line which combined the high yield and disease-resistance of PV 18 with the amber-coloured seeds of the indigenous Punjab wheat and the wide adaptability of the hybrid bajra. He named this strain Kalyan 227." (*The Economist*, London, quoted in *Our Food—Problems, Fears, Hopes*, An Indian Oxygen Publication, 1968, p. 14)

How the miracle in wheat production was sought to be carried forward in the cultivation of other foodgrains makes an equally exciting reading. To quote from the same source :

"Thanks to the excellent work done by the International Rice

Research Institute (IRRI) at Los Banos in the Philippines and the Indian Central Rice Research Institute at Cuttack, a big spurt in rice production is now on the cards.

"Through a series of fertilizations and cross-fertilizations first tried out in the laboratories and later transferred to the test plots in its farm, the Institute has produced plants which are short, stiff and spiky and resistant to lodging (tendency to droop to the ground). They mature early, are insensitive to photoperiod changes arising from variation of day-length and respond well to applications of fertilizer. And, most important of all, they give high yields. Two such varieties, which are now being tried out in India with gratifying results, are Taichung Natives-1 and IR-8. As against an average rice yield rate of less than a tonne per hectare (average yield per hectare in 1965-66 was 0.87 tonnes) trials at the Institute have demonstrated that, with three successive crops on the same land over a period of a little more than twelve months, the total yield of these varieties can be increased to some 20 tonnes per hectare. Such intensive cultivation may not be feasible for the ordinary farmer, but according to Dr. Robert Chandler, Director, IRRI, there is no reason why progressive farmers with year-round irrigation facilities and using modern methods should not be able to produce half the amount or ten tonnes per hectare in two crops. Indeed IP-8 has given such remarkably high yields that farmers have called it miracle rice. Already in field trials in India in different parts of the country the new variety has yielded 8 tonnes per hectare. It should be remembered that the highest average yield hitherto was only 3.8 tonnes in the United States and 4.7 tonnes in Japan. The new varieties therefore presage a world revolution in rice technology." (*Ibid*, p. 13)

The programme for the introduction of high yielding varieties seeds started in 1966-67. The target was to cover 6.2 million acres, but widespread drought over large parts of northern India and shortfall in supply of some hybrid seeds created difficulties. As a result the actual achievement was about 8.0 per cent of the target. From this beginning the HYVP has been progressing steadily year by year. Table below gives the latest available figures of its progress :

Progress of HYVP

	1969-70 (achievement)	1970-71 (anticipated)	1971-72 (target)	Fourth Plan target
Paddy	4.34	5.50	7.00	10.10
Wheat	4.01	5.89	6.90	7.70
Maize	0.45	0.51	0.51	1.20
Jowar	0.55	0.93	1.20	3.20
Bajra	1.16	1.77	2.40	2.80
Total	10.51	14.61	18.00	25.00

(Source : Fourth Plan Mid-term Appraisal.)

The achievements so far of the new agricultural strategy in the sphere of foodgrains production—and more particularly in the case of wheat—have been really astounding.

"The induction of the new technology in Indian agriculture in recent years," says Dr. Dharm Narain, Chairman of the Agricultural Prices Commission, "has initiated a process of qualitative transformation..... And indeed in one segment, the production of wheat, a veritable revolution has occurred. The growth of wheat output at a compound rate of nearly 14 per cent per annum since 1964-65—the year of peak production immediately preceding the launching of HYVP—through 1970-71 constitutes truly an outstanding achievement. Even more impressive, the per hectare yield of this cereal has increased over the same period at a compound rate of 7.5 per cent per annum. This development provides a window on the promise of the new technology." (*Technical Address* at the session of Indian Society of Agricultural Statistics, held in March 1972 at New Delhi)

Unfortunately while foodgrains output is forging ahead, thanks to the new technological achievements, the production of non-foodgrains crops has been stagnating as there has so far been no comparable technological advance. The growth rate of "cash crops has suffered a sharp contraction in recent years," says Dr. Dharm Narain in his address quoted above, "the index for the production of cash crops in 1970-71 compared with that for 1964-65 shows an increase of less than 0.5 per cent per annum". (*Ibid*)

Table below gives the figures for the production of the major non-foodgrain (cash) crops for 1950-51 and the years since 1964-65.

Production of non-foodgrain crops

Crops	Unit	1950-51	1964-65	1969-70	1970-71
Oilseeds	million tonnes	5.01	8.56	7.78	9.19
Sugarcane (in terms of gur)	million tonnes	7.05	12.48	13.78	13.19
Cotton (lint)	million bales	2.87	5.68	5.25	4.56
Jute	million bales	3.51	6.07	5.65	4.91
Mesta	million bales	0.67	1.60	1.13	1.23

(Bales = 180 kg.)

(Source: Government of India, *Economic Survey*, 1971-72)

It will be seen that while the output of the cash crops has risen significantly over the base year of 1950-51, the output of all but one of these declined in 1969-70 and 1970-71 from the level reached in 1964-65. The exception, oilseeds, after registering a decline in 1969-70, rose to a new high in 1970-71.

The Planning Commission in its mid-term appraisal of the fourth plan notes that the production of cotton and jute has been lagging behind the annual plan targets. The output of oilseeds in the first year of the plan fell considerably short of the target, though it reached the target next year. The reverse was the case with sugarcane, which after reaching the target in the first year of the fourth plan fell short of it in the next year.

An important cause for the relative stagnation of non-foodgrains output, the absence of a major technological breakthrough apart, is, according to Dr. Dharm Narain, the loss of their area to the more profitable foodgrains cultivation. Between the terminal years 1964-65 and 1970-71, says Dr. Narain, the all-India cotton acreage has lost about 750,000 hectares, largely to jowar, which in turn yielded some area to wheat. Groundnut has lost a little over 80,000 hectares. Jute too seems to have lost acreage, although moderately.

The stagnation in the output of these cash crops has created a major problem of shortage of raw materials for the principal agro-industries in the country. "The satisfactory solution of the problem", urges Dr. Narain, "lies in matching a technological advance in one segment with like advances in the others."

Another disturbing feature of agricultural growth in the post-independence period is the wide variation in the growth rates among the different States of India. Table below shows the variation at two ends from the all-India average :

Compound growth rates 1952-53 to 1964-65
(per cent per annum)

State/India	Production	Area	Productivity
Punjab	4.56	1.90	2.61
Gujarat	4.55	0.45	4.09
Tamil Nadu	4.17	1.10	3.04
<i>India</i>	<i>3.01</i>	<i>1.21</i>	<i>1.77</i>
West Bengal	1.94	0.59	1.34
Uttar Pradesh	1.66	0.72	0.94
Assam	1.17	1.25	(—)0.08

(Based on Fourth Five Year Plan 1967-70, Table 4, p. 119)

Since the adoption of High Yielding Varieties Programme (HYVP) the unevenness in growth rates among the States has increased more sharply. "At one end", says the *Mid-term Appraisal*, "of the spectrum are States like Haryana, Gujarat and Rajasthan which have already accomplished the Plan targets, at the other end are States such as Andhra Pradesh, Bihar, Kerala, Maharashtra and Orissa which have not recorded a production equal to the base level assumed for these States. The performance of other States varies between these two extremes." (*Fourth Five Year Plan, Mid-term Appraisal*, Vol. II, p. 62).

The most disturbing consequence of the specific pattern of growth represented by the new agricultural strategy is the intensification of socio-economic disparities in the countryside and the social tension generated by them. According to an analyst:

"The new selective programme of agricultural development is likely to create class cleavage within the selected areas and a cleavage between selected and remaining areas. Within the areas selected for intensive development, although the official programme does not discriminate between farmers, the distribution of modern inputs may be uneven due to social and structural inequalities. It should not be forgotten that of about 65 million cultivators as many as 60 per cent operate less than five acres; that tenancy is still prevalent in a large measure; that in the past (as repeatedly stressed by Programme Evaluation Reports) official aid and subsidies have largely gone to upper strata cultivators; that the under-privileged classes have found it difficult to secure credit from cooperatives and had to rely on money-lending and trading classes. These inequalities reinforced by social disabilities of the under-privileged will not only hinder optimum utilisation of modern inputs.....but will also magnify the class cleavage.....

"Under crop-sharing and tenancy arrangements not completely favourable to the landowner, high returns made possible by use of modern inputs may tempt the owner to evict the tenant or the share-cropper in order to ensure the largest proportion of net returns for himself . . . it would also lead to greater social distress." (*Rushikesh Maru in Economic & Political Weekly*, Bombay, Annual Number, January, 1968).

Indeed, in the opinion of many prominent sociologists, Indian and foreigner alike, all "official measures are widening the gulf between peasant agriculturists and landless labourers. The programme evaluation reports state that there is a growing disparity between landless labourers and agriculturists, between those who farm food crops and those who farm commercial cash crops, between producers in subsistence and commercial belts; "a matter of serious concern not only

in terms of regional and social justice but also in terms of political consequences that may ensue in the context of the increasing awakening among the people." (Professor A. R. Desai, in *Seminar* No. 4, New Delhi, p. 37)

It is in this context that the question of land reforms and ceiling on farms has acquired importance and urgency. It is to this aspect that we now turn.

Chapter VI

AGRARIAN REFORMS

As early as 1902, the Government of India in a memorandum on Land Revenue Policy referred to "evils of absenteeism, of management of estates by unsympathetic agents, of unhappy relations between landlord and tenant and of the multiplication of tenure holders or middlemen between the zamindar and the cultivator" and it described the Permanent Settlement as a system of agrarian tenure "which is not supported by the experience of any civilised country, which is not justified by the single great experiment that has been made in India....." (*Government of Bengal, Report of the Land Revenue Commission, Vol. I, 1940, p. 36.*)

If the sponsor of the system, the Imperial Government, was so scathing in its condemnation of evils of the arrangement as early as the turn of the century, the pre-occupation of the national movements to bring about its early abolition can be easily appreciated. Immediately after the transfer of power, steps were initiated at the central and provincial levels for the reforms of the agrarian structure and these measures have continued to gather momentum ever since. The following pages give a brief account of the wideranging measures and their results.

The principal measures adopted by the leaders of Independent India for rural regeneration comprise the abolition of intermediary tenures, reform of the tenancy system, ceiling on ownership of land and consolidation of holdings. Progress has been made in all these respects over the past 20 years since the beginning of planning. Zamindaries, jagirs, inams and other intermediary tenures have been practically abolished, entailing a liability of a total payable compensation of Rs. 6,414.2 million and bringing 20 million tenants into direct relationship with the State and making available to the State Governments several million acres of cultivable land, for their distribution among landless agriculturists. Provisions for security of tenure and regulation of rent have been adopted. In several States provision has also been made for bringing tenants into direct relationship with the State and conferring on them the rights of ownership in areas where intermediary tenures did not obtain. As a result, about three million tenants and share-croppers have acquired ownership of more than seven

million acres. Laws imposing ceiling on agricultural holdings have been enacted, and over 2.3 million acres of surplus lands in excess of ceiling limits have been declared as such or taken possession of by Government. Tenants, uneconomic holders and landless agriculturists are being settled on these lands. The land reform programme adopted in the various States has helped to establish owner cultivation over large areas. Consolidation of holdings has been undertaken in a number of States and measures have been initiated for the prevention of fragmentation.

There have, nevertheless, been shortcomings in implementation and the progress has been slow in many States. The position was reviewed by the Land Reforms Implementation Committee of the National Development Council which, in its report in August 1966, proposed measures for securing expeditious and effective implementation of the land reform legislation. The matter was again examined in the Chief Ministers' Conference which was convened in November 1969 to review the progress and identify the gaps and weaknesses in the existing laws and their implementation.

Intermediary tenures have been abolished practically all over the country. Certain non-ryotwari tenures, however, still remain. Legislation is yet to be enacted for abolition of temporarily settled estates in Assam, certain inams and tenures in Kerala, Maharashtra and Tamil Nadu, Goa, Diu and Dadra and Nagarhaveli. Legislation has yet to be completed in respect of muttadari and malguzari tenures in Agency tracts and inams in Telengana area of Andhra Pradesh and Devasthan inams in Gujarat.

Progress of Tenancy Reforms

Sl. No.	State/Union territory	No. of tenants benefited ('000)	Area in respect of which ownership is conferred ('000 h.a.)
0	1	2	3
1	Gujarat	462	970
2	Madhya Pradesh	420	N.A.
3	Maharashtra	800	613
4	Punjab	22	60
5	Rajasthan	199	382
6	Andhra Pradesh (Telengana area)	33	82
7	Delhi	29	16
8	Himachal Pradesh	24	11
9	Tripura	10	5
10	Uttar Pradesh	1500	810
11	West Bengal	N.A.	324

N.A. Not Available.

(Source : Fourth Five Year Plan, 1969-74, p. 176)

There has been leasing of land on a considerable scale, often unwritten, even in areas where intermediary tenures did not obtain, and sub-leasing in areas where such tenures existed. Legislation has been enacted in a number of States for converting such tenants and sub-tenants into owners. Considerable progress has been made in this regard in Uttar Pradesh, Maharashtra, Gujarat, Madhya Pradesh and Rajasthan. Similar provisions have also been made in respect of sub-tenants in Uttar Pradesh and in respect of under-riayats (other than bargadars) in West Bengal. As a result, according to information received from State Governments, about three million tenants and share-croppers have acquired ownership as indicated.

In spite of these measures, it is estimated that tenants' households constitute 23.56 per cent of total cultivating households. The proportion is higher in certain States such as Bihar, Haryana, Jammu and Kashmir, Kerala, Mysore, Punjab, Himachal Pradesh, Pondicherry and Tripura. The extent of tenancy is indicated in table on page 142.

Percentage of Leased-in households

Sl. No.	State/Union Territory	Percentage of leased-in households to total cultivating households
0	1	2
1	Bihar	37
2	Jammu and Kashmir	25
3	Kerala	31
4	Mysore	25
5	Punjab and Haryana	39
6	Himachal Pradesh	27
7	Pondicherry	45
8	Tripura	36

(Source: Fourth Five Year Plan, 1969-74, p. 176)

Many of the tenants and sub-tenants who had acquired permanent rights have come into direct contact with the state. The tenants and share-croppers who still continue as such are tenants-at-will or are protected tenants subject to the landlord's right of resumption. Such tenants and share-croppers with insecure tenure are estimated to constitute 82 per cent of the total number of tenants, mainly in the States of Andhra Pradesh, Assam, Bihar, Haryana, Punjab, Tamil Nadu and West Bengal.

It has been observed that under the present arrangement of informal tenancy and share-cropping, the landlord considers it unwise to invest

in improving his land ; likewise, the share-cropper or the tenant is either unable or reluctant to invest in inputs like fertilisers. The insecurity of tenancy has not only impeded the widespread adoption of methods of improved cultivation, but in some cases led to social and agrarian tensions. In the present context, therefore, it is essential that a cultivating tenant or a share-cropper should have effective security of tenure of the land he cultivates and the existing tenancies declared non-resumable and permanent.

Legislation for regulation of rent has been enacted in practically all States but in some of them the statutory rents themselves are on the high side. It is proposed to bring them down in due course to a lower level, that is, one-fourth or one-fifth of the gross produce and adopt necessary measures to ensure that the statutory rates of rent are observed.

Legislation has also been enacted in several States to bring tenants into direct contact with the state. The implementation of the programme of legislation has been completed in the former intermediary areas in Uttar Pradesh (sub-tenants) and West Bengal (under-raiyats other than bargadars) and Delhi and it is in an advanced stage of implementation in Gujarat and Maharashtra. Considerable progress has also been made in Madhya Pradesh, Rajasthan, Himachal Pradesh, Haryana, Punjab and Tripura. Steps are being taken to expedite the programme of converting tenants into owners and complete its implementation by the end of the fourth plan. Some of the State Governments have under consideration proposals for financing purchase of ownership rights by tenants through land mortgage banks and nationalised commercial banks.

Legislation has been enacted in almost all the States providing for a ceiling on land holdings. Provisions relating to level of ceilings, transfers and exemptions from ceilings differ considerably from State to State. In some States it is applicable to the lands held by all the members of a family. Similarly in some States adequate provisions have not been made for disregarding of transfers and partitions subsequent to the date of announcement of the decision to impose ceilings on holdings and the exemptions are too many permitting evasion of ceiling on a considerable scale. Even the legislation as it exists has not been pursued and implemented effectively. As a result only about 964,800 hectares have so far been declared surplus after scrutiny of the statements submitted by substantial holders. Out of this about 640,000 hectares have been taken possession of by the State Governments. While some States like Andhra Pradesh have decided to take possession of the surplus lands only when funds are available for payment of compensation, in others, as in West Bengal and Gujarat, work has



Mr. Nehru signing the New Constitution—1951



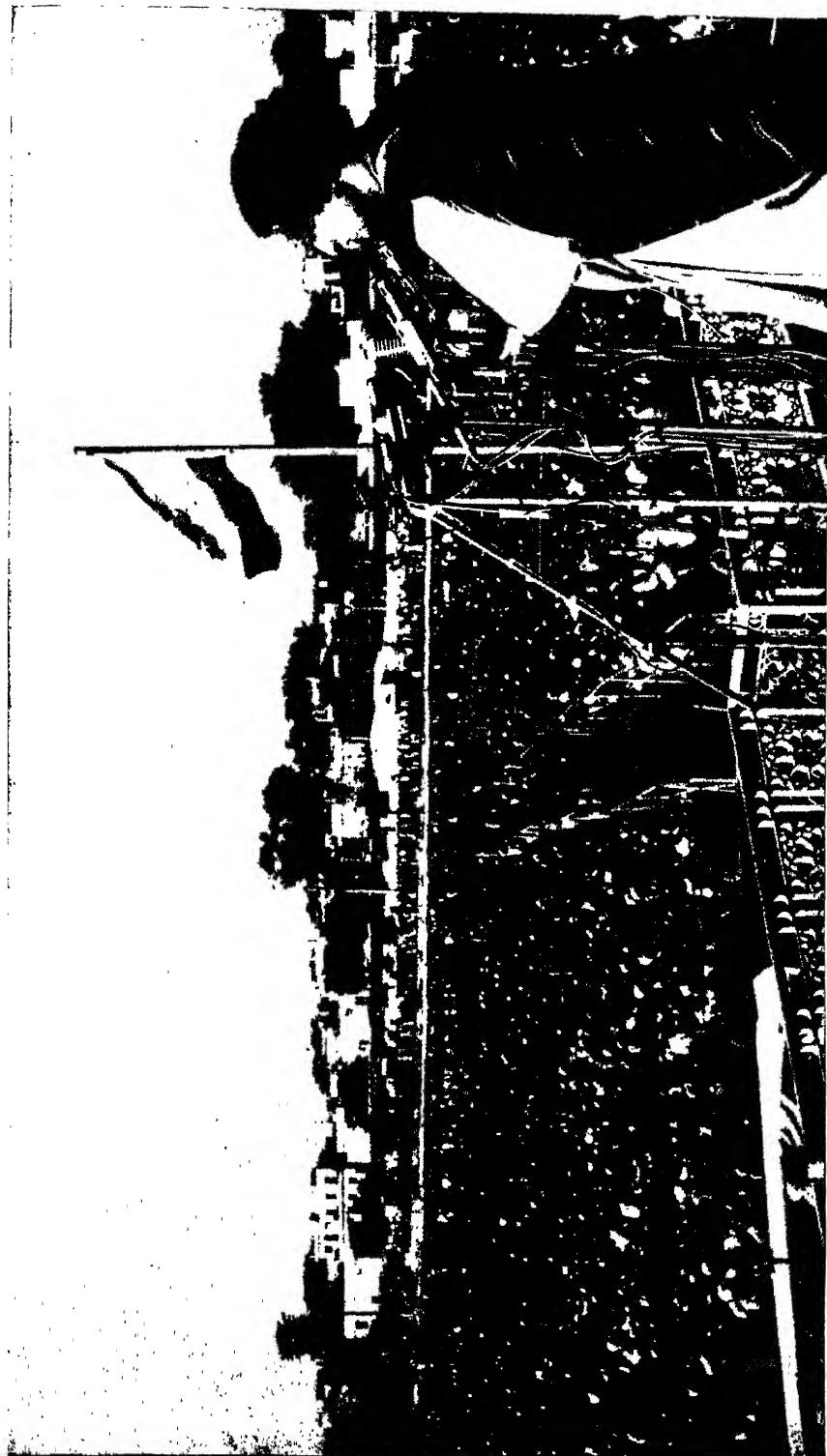
Election scene in a rural area



Election scene in an urban area



Lal Bahadur Shastri, Prime Minister of India during 1964-66, addressing a press conference at Calcutta after the Indo-Pakistan conflict in 1965



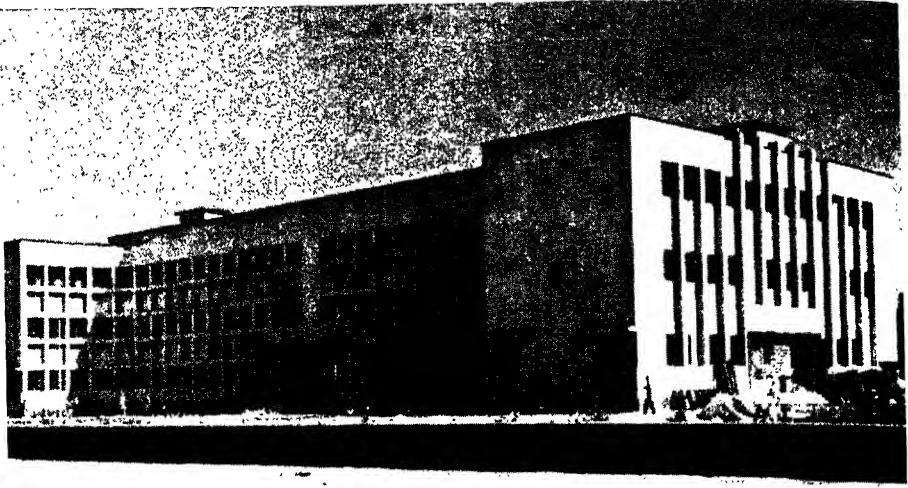
During the war with Pakistan in 1971 Prime Minister Mrs. Indira Gandhi addressing a mammoth gathering



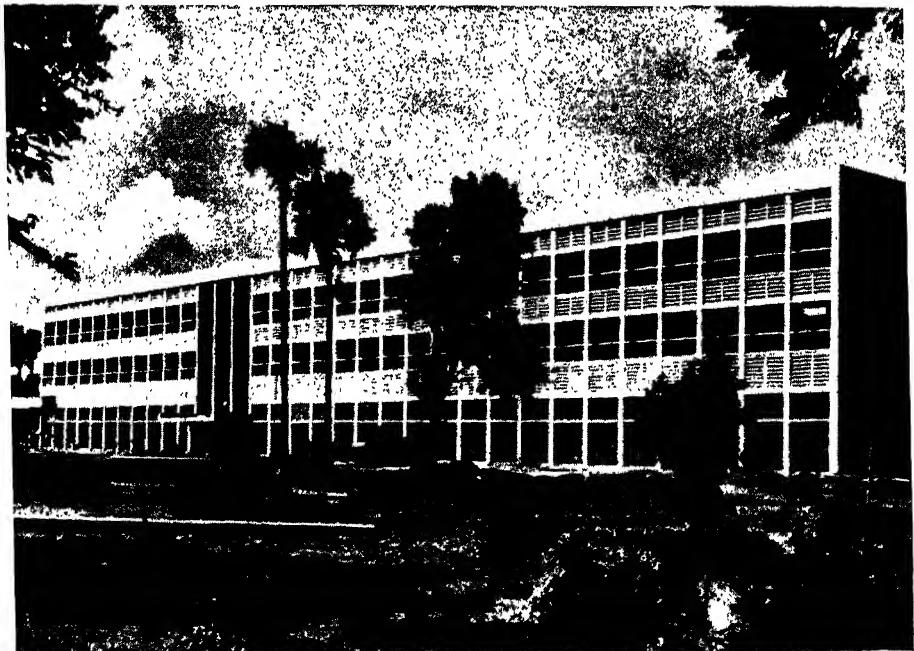
The Prime Minister, Mrs. Indira Gandhi, addressing Jawans somewhere in the forward areas of Rajasthan in November 1971



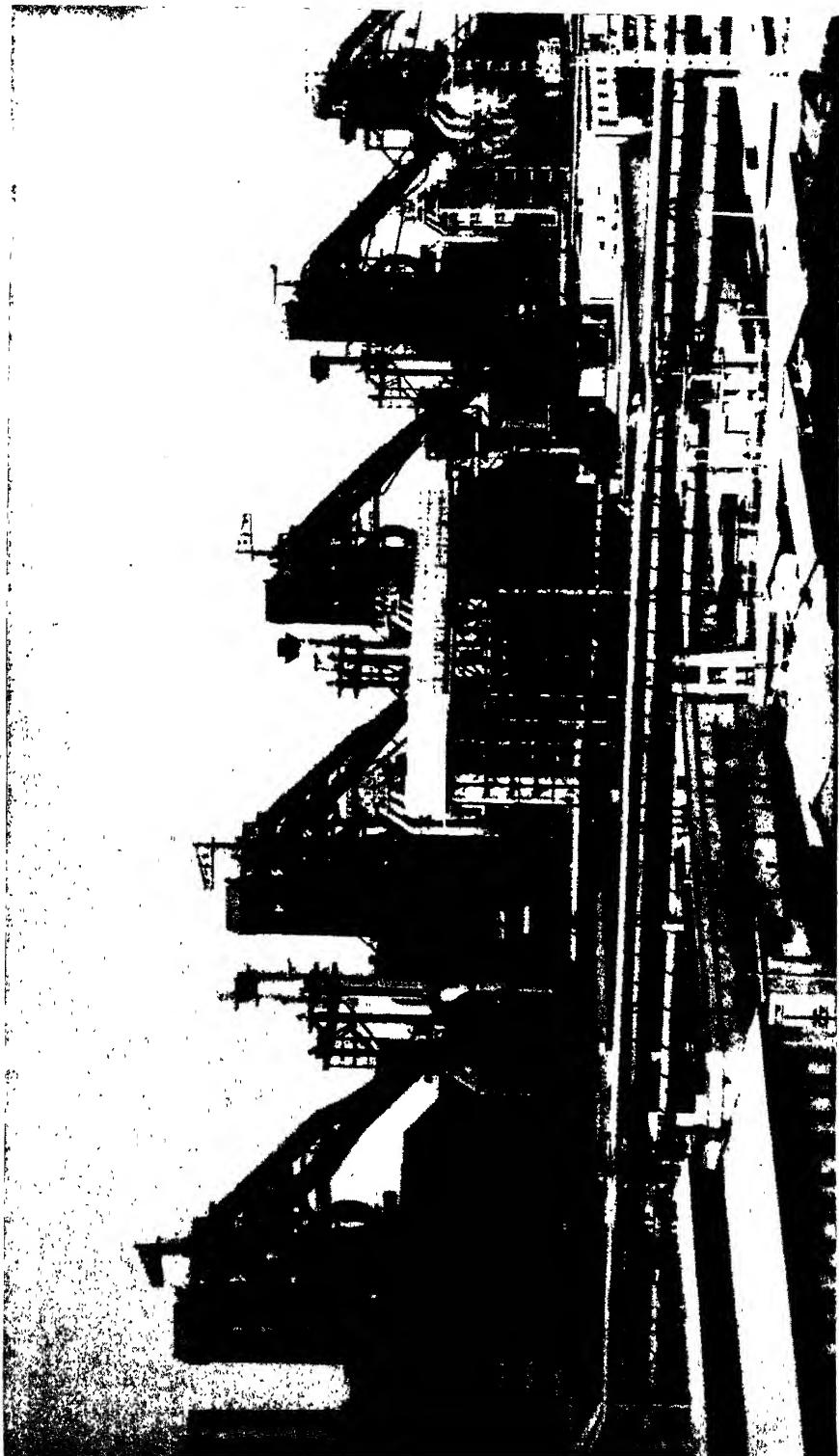
The Pakistani Army Commander signing the surrender in Dacca on 16 December 1971



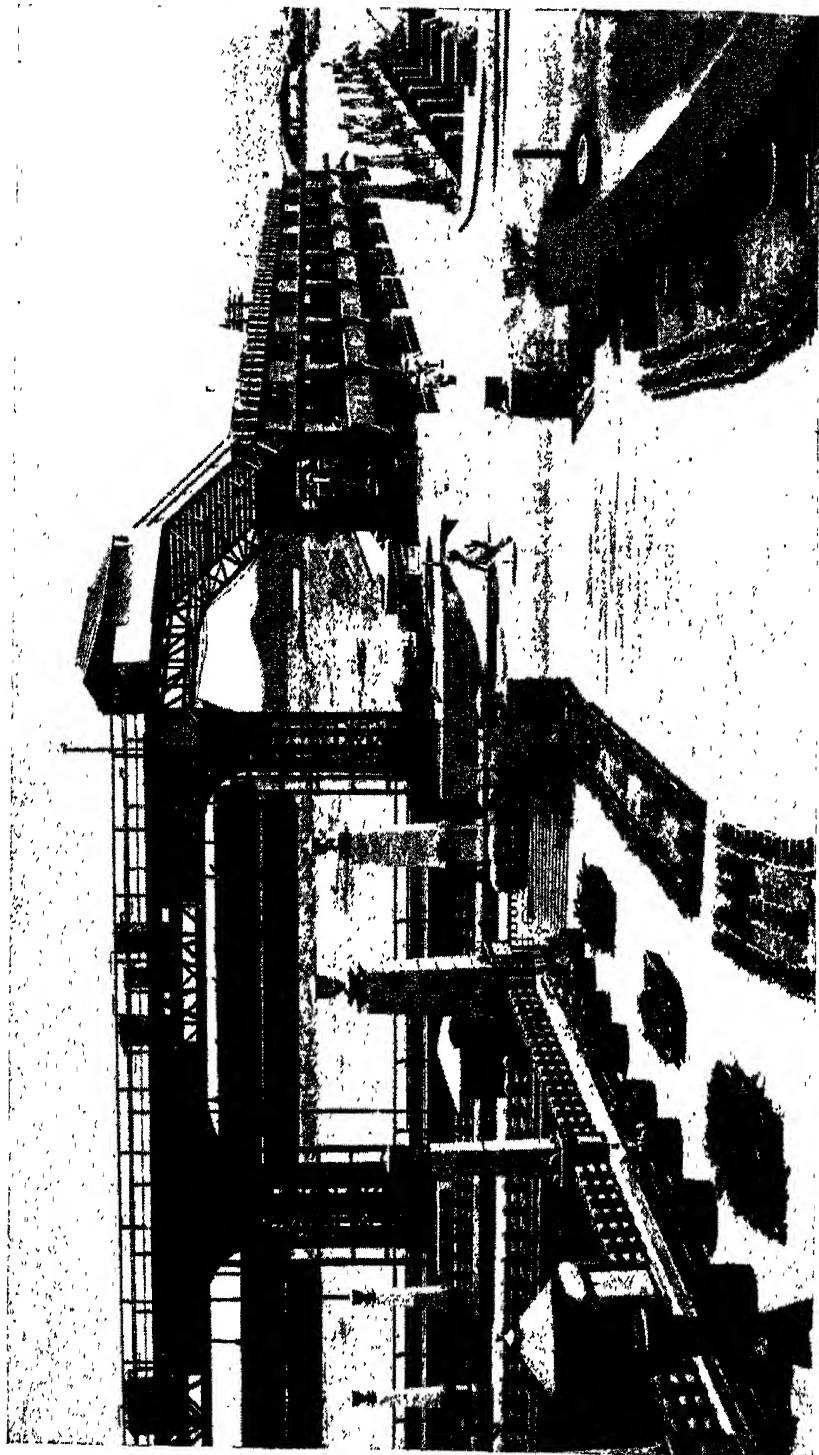
A modern student campus



The Electrical Sciences building in the Indian Institute of Technology, Guindy,
near Madras

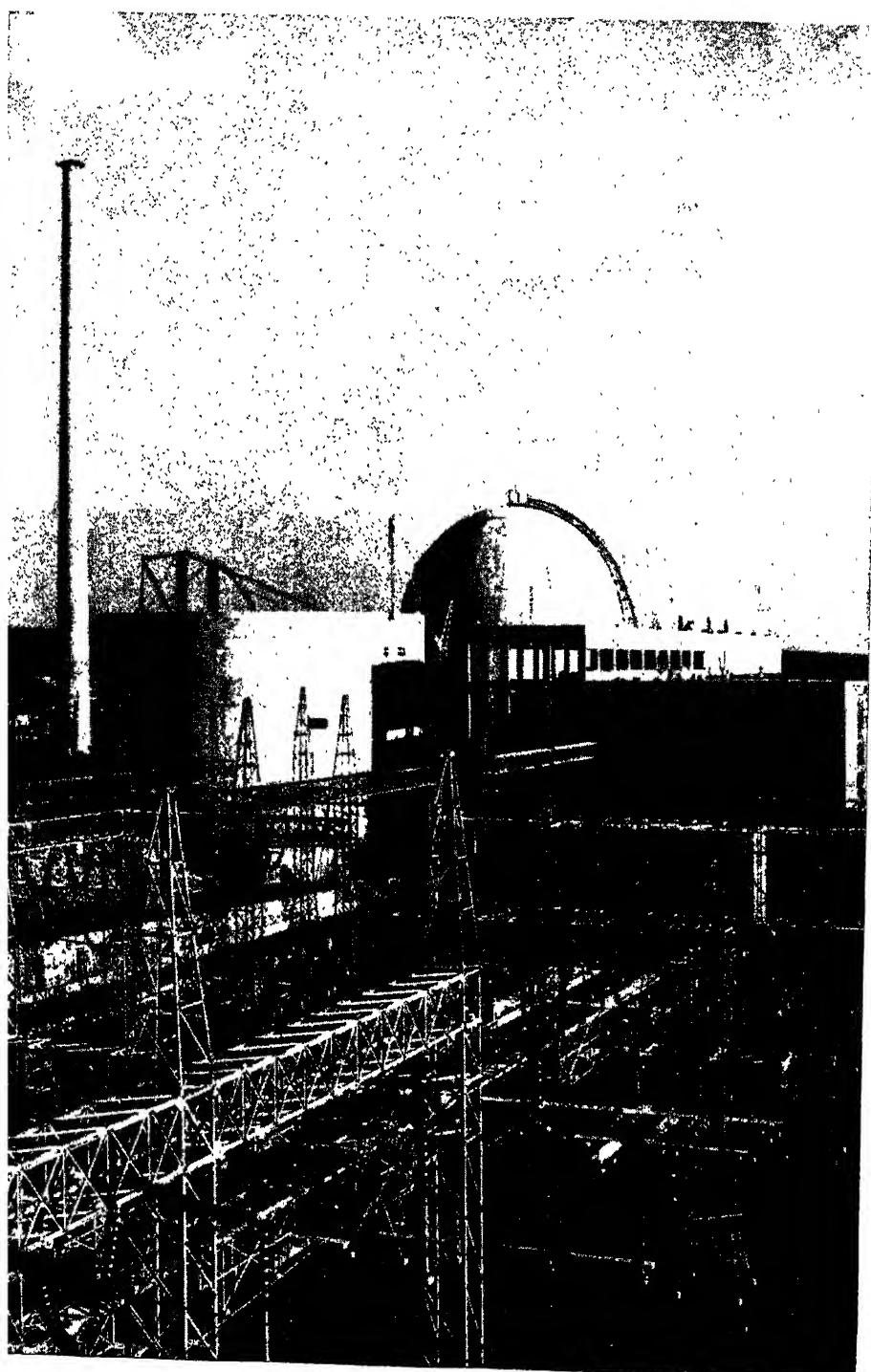


The five blast furnaces of the 2.5 million-tonne Bhilai Steel Plant of Hindustan Steel Ltd.



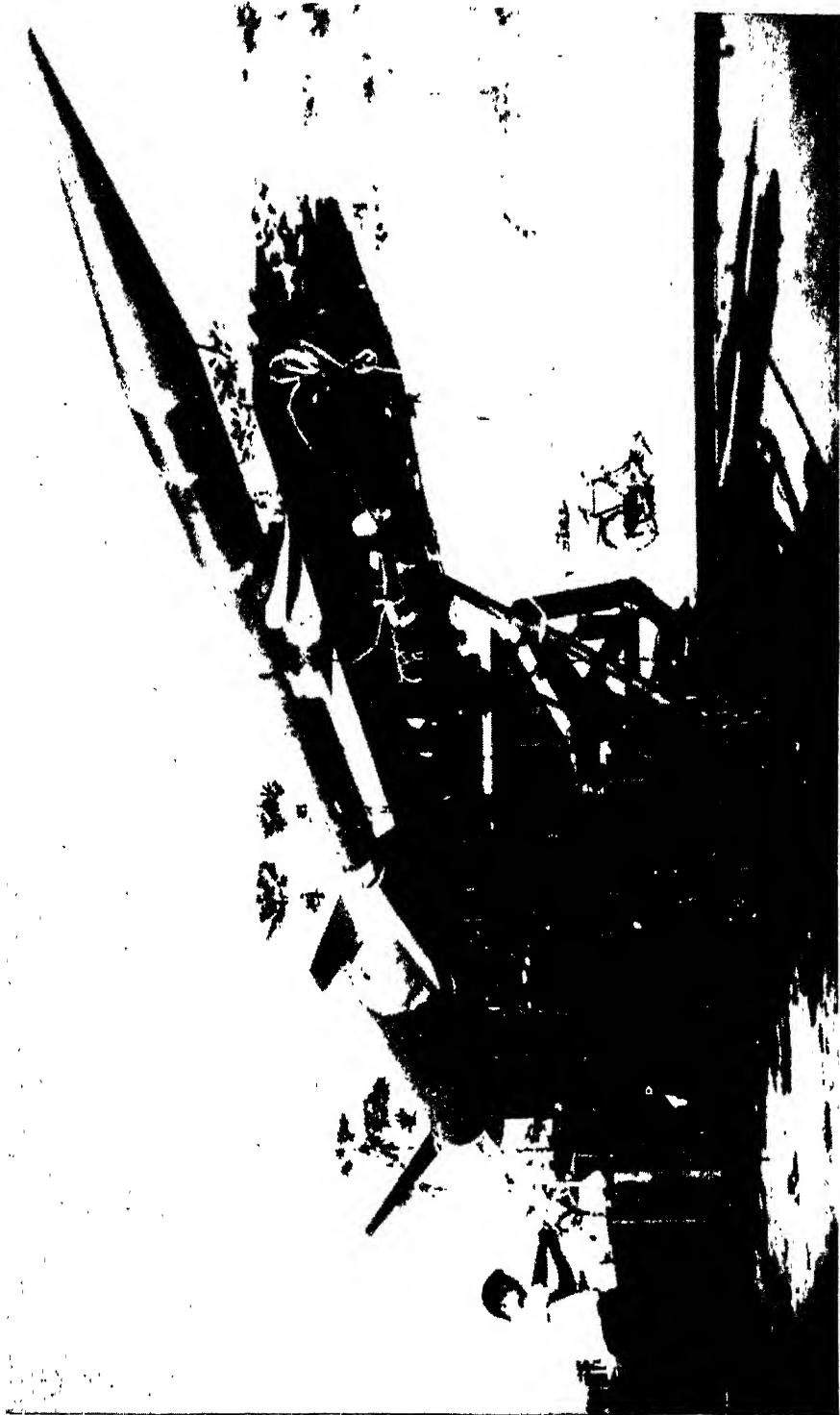
A view of Nangai Dam





In the field of atomic energy, India is among the advanced countries of the world.
Photo shows a view of the Rajasthan Atomic Power Station, Kotah

Space research activities at Thumba





The Green Revolution has changed the face of the Indian countryside



Conthal tribe of Midanom



Another tribal group: the Lohas

been held up due to litigation resorted to by substantial landholders. The programme of distribution of surplus land has been taken up in recent years in a number of States. But there is still a large gap in most of the States between the area which has been taken possession of and of the area distributed. Only 464,176 hectares were reported to have been finally distributed before 1970. It has been observed that this gap has been due to, in some cases, administrative difficulties in selecting the allottees in accordance with the rules made under ceiling Acts, stay orders obtained from High Courts and inferior quality of land surrendered by the landholders. These matters came up for consideration at the Chief Ministers' Conference held in November 1969. It was then decided to review the provisions in the existing legislation in regard to level of ceilings, transfers and exemptions in the light of recent technological developments and social requirements and to take expeditious steps to implement the programme of imposition of ceiling and distribution of surplus land to landless agricultural workers on a systematic basis. State Governments have responded favourably to the suggestion. In West Bengal, Kerala and Tamil Nadu the level of ceiling has been brought down substantially by recent legislations.

This account of measures adopted so far, however, fails to bring into focus the shortfalls in terms of the stated objectives of agrarian reforms. The first draft of the fourth five year plan (1966) made a critical survey of the legislative and administrative measures in the sphere of agrarian reforms, in course of which it noted :

- (i) Administrative arrangements for enforcement and supervision of the reform measures are often inadequate ;
- (ii) Records of tenants are either non-existing or incomplete ;
- (iii) The economic condition of tenants, even where they have been conferred permanent rights, still continues to be weak ;
- (iv) Even the apparently restricted right of resumption for personal cultivation has, in practice, widened the scope of ejections ;
- (v) Numerous ejections of tenants have occurred under the guise of 'voluntary surrenders'; this has tended to defeat one of the major aims of land reform, namely, providing security of tenure for the tiller of the soil, and,
- (vi) The rents fixed by law are still high in many areas.

"The programme of ceilings", it particularly emphasised, "set out in the Plan has been diluted in implementation. There are deficiencies in the law and delay in its enactment and implementation resulting in largescale evasions . . . The main object of ceilings which is to re-

for centuries and had been using primitive methods of cultivation. Here was a peasantry that was largely illiterate steeped in superstition weighed down by a rigid hierarchical caste structure that had continued unchanged for a thousand years or more. The remarkable capacity for change demonstrated by this peasantry, the enthusiasm with which sections of this huge and hitherto inert mass have taken to the new scientific techniques of agriculture is really one of the most encouraging developments of recent history.

There is no doubt that this achievement will serve as a source of inspiration to the people of the country, imbue them with a sense of confidence and dispel doubts and misgivings that often plague their minds.

Chapter VII

TOWARDS TAKE-OFF IN INDUSTRY

Though perhaps not as spectacular as the green revolution in agriculture, the progress registered in the industrial sector since the beginning of planning is by no means an unimpressive achievement. To quote from an official account of the expansion and diversification of the industrial structure, "Substantial capacity has been created in many new lines. A fairly sound base for future growth has been laid..... in the field of heavy engineering and machine building industries,..... Heavy Engineering Corporation, Mining and Allied Machinery Corporation and.....heavy electrical projects (have) now made possible, largely through indigenous effort, the expansion of further capacity in vital sectors like iron and steel, mining and power generation. In the field of rail and road transport and communication, virtual self-sufficiency for the supply of equipment and rolling stock has been realised. Machinery manufacturing capacity for a variety of traditional industries like textiles, sugar and cement has been developed. Design and engineering capabilities have been expanded. Process technology has been either acquired or developed to enable the planning, designing and construction of industrial projects with maximum indigenous effort in fields like fertilizers, rayon and dissolving pulp. There has been appreciable increase in the production capacity of steel and non-ferrous metals. Progress has also been made in the expansion of capacity in petroleum, fertiliser, and petro-chemical industries. In a wide range of industries, it will be possible merely by the fuller utilisation of existing capacity—as distinguished from new investment to achieve higher levels of production....." (Government of India, *Fourth Five Year Plan —1969-74*, p. 297-8)

As we have discussed in a preceding chapter, the planners in India have, since the formulation of the Second Five Year Plan, continued to give a higher priority to outlay on industrial development.

Up to the end of the third plan a total of Rs. 46,460 million was invested in industry—in the public and private sectors—as may be seen in Table below.

Investment in Industries
 (Rs. million at current prices)

	First Plan	Second Plan	Third Plan
Public sector	550	9,380	15,200
Private sector	2,330	8,500	10,500
<i>Total</i>	<i>2,880</i>	<i>17,880</i>	<i>25,700</i>

Since the end of the third plan period, a further outlay of Rs. 30,000 million has been made in 'industry and minerals' in the public sector alone.

This massive investment has not only led to a horizontal expansion of the existing industries, but also a vertical and qualitative development by creating entirely new branches of industrial production.

The resulting changes in the structure of Indian industry are evident from the fact that between 1951 and 1968, the share of technologically inferior industries like cotton ginning and baling, food (except beverages), textiles and tobacco in the total factory employment fell from 63.0 per cent to 45.4 per cent. During the same period, technologically superior industries like chemicals and chemical products, basic metal industries, metal products and transport equipment increased their aggregate share from 20.6 per cent to 35.0 per cent. (*Reserve Bank of India Bulletin, Bombay, July 1971.*) Because of its capital intensive character, the second group of industries today account for about one half of the total weightage in the calculation of the index numbers of production of the manufacturing industries.

Another indicator of advance is the growth of Indian industrial management and supervisory cadres. Out of 5,611 persons in foreign-owned/controlled companies, drawing Rs. 2,000/- or more per month in 1960, only 1,978 or 35.2 per cent were Indians as against 3,633 or 64.8 per cent non-Indians. In 1970, out of a total of 9,930 persons in the same category, there were 8,604 or 86.6 per cent Indians and 1,326 or 13.4 per cent non-Indians. (*Eastern Economist Records and Statistics, New Delhi, May 1971.*)

As a result of the growth of indigenous supply of industrial goods the share of imports in the total available supplies of a number of industrial goods has been drastically reduced, although the total volume of supply has in the meantime increased significantly, as may be seen from table below.

Progress of Import Substitution

	1950-51		1969-70	
	Supply	Import as p.c. of supply	Supply	Import as p.c. of supply
Sugar mill machinery (Rs. lakhs)	100	100	1,299	1.3
Textile machinery (Rs. lakhs)	1,233*	67.6	3,029	31.3
Machine tools (Metal working) (Rs. lakhs)	295	89.8	3,880	42.8
Iron & Steel ('000 tonnes)	1,391	25.2	4,775	9.3
Aluminium ('000 tonnes)	14.7	72.8	137.6	1.8
Soda ash ('000 tonnes)	75	40.0	427.2	Negligible
Caustic soda ('000 tonnes)	34.4	64.7	360.3	Negligible
Bicycles ('000 nos.)	264	62.5	1,914	Negligible
Sewing machine ('000 nos.)	56	41.1	328	0.3
Paper & paper boards ('000 tonnes)	151	23.2	737	1.8
Ammonium sulphate ('000 tonnes)	423	88.9	1,399	56.5
Manmade fibre and yarn ('000 tonnes)	31.9*	20.7	169.3	2.5

* 1955-56

(Source : Eastern Economist Records and Statistics, New Delhi, May 1971.)

An important aspect of the industrial development of the country is, as mentioned earlier, the expansion of defence industries. Soon after the Sino-Indian border war in 1962, the Department of Defence Production was set up within the Union Ministry of Defence and a Rs. 50,000 million five year defence plan, undertaken. The Research and Development organisation in the Department of Defence Production, manned entirely by Indian personnel, has so far developed a number of items for the armed forces, including a mountain gun, a semi-automatic rifle, a self-loading pistol, a new type of anti-tank mine, a light-weight forward area very-high-frequency communication set, a precision generator

for anti-aircraft gun, portable but collapsible assault boats, aluminium floating bridge, etc.

There are today 27 ordnance factories all over the country to turn out defence equipment and arms and ammunition for the forces, besides the undertakings producing tanks, planes, trucks and jeeps, heavy earth-moving equipment, radios, transmitters, radars and other electronic equipment.

The advance to self-reliance in defence requirements is epitomised by the recent commissioning of the home-made frigate, INS Nilgiri, built at a cost of Rs. 184 million, with 53 per cent indigenous content. It is a war ship of the most modern type, designed to intercept and destroy anything in the air, on the water or below the surface that may fall within its expansive radar horizon.

The progress so far achieved in important industries may be seen from Table below.

Progress in Selected Industries

Industry	Unit	1950-51	1970-71
Coal	lakh tonnes	3.28	7.50
Pig iron	lakh tonnes	16.9	69.9
Finished steel	lakh tonnes	10.4	44.8
Aluminium (virgin metal)	'000 tonnes	4.0	167.8
Machine tools	(Rs. crores)	0.34	39.3
Automobile	('000 nos.)	16.5	87.9
Power driven pumps	('000 nos.)	35	359\$
Diesel engines (stationary)	('000 nos.)	5.5	134.2*
Bicycles	('000 nos.)	99	2027
Power Transformers	(lakh K.V.s)	1.8	80.86
Electric motors	('000 h.p.)	99	2774
Electric fans	(lakh nos.)	2.0	17.16
Nitrogenous fertilisers	('000 tonnes of N)	9.0	830
Phosphatic fertilisers	('000 tonnes of P ₂ O ₅)	9.0	229
Sulphuric acid	('000 tonnes)	101	1155
Soda ash	('000 tonnes)	45	449
Caustic soda	('000 tonnes)	12	364
Paper and paper boards	('000 tonnes)	1,16	755
Cement	('000 tonnes)	27.3	144
Petroleum products —refined	('000 tonnes)	2.0	170
* 1969-70			

The table shows that in the 20 years between 1950-51 and 1970-71, coal output has more than doubled. Production of pig iron and finished steel has increased more than fourfold, that of automobiles, fivefold. Refined petroleum has risen eighty-five times. Equally startling has been the progress in the new lines of production such as, fertilisers, power transformers, electric motors, diesel engines, machine tools, etc., and, of course, aluminium which has increased 44 times.

A measure of maturity achieved by Indian industries and enterprise is the rapid growth of the country's industrial ventures abroad. In course of less than a decade, agreements have been reached with about 30 countries for the setting up of over 130 industrial units with Indian collaboration. Of these 33 units are already in operation and the rest are at various stages of construction. These projects encompass a vast array of industries ranging from cotton and woollen textiles and food canning to a variety of engineering goods like sewing machines, electric fans, diesel engines, trucks, scooters, automotive parts, radio, air-conditioners and coolers, electric motors and transformers, re-rolling mills, paper and pulp and pharmaceuticals. The countries where such projects have been or are being set up by India cover not only the developing countries of Asia, Africa and Latin America, but also some of the highly developed countries like the USA, West Germany, the U.K. and Canada. The industries in which joint ventures have been or are being set up in the advanced countries include oil engines, asbestos cement, hard boards, and light engineering goods.

"The emergence of a new entrepreneurial class with capacity and competence to undertake new industrial ventures not only in India but also in overseas countries" rightly says Mr. L. N. Mishra, Union Minister of Foreign Trade, signified that "the image of the country has been fast changing from that of a capital importing country to a mature economy with capacity to assist others with our experience and technological competence, supported by machines and equipment manufactured in the country". (PIB handout, 15 August 1971).

In addition to joint ventures abroad many sophisticated industrial products and technical know-how of this country are today in demand abroad. Thus, Heavy Electricals (India) Ltd., has exported heavy duty motors, control gear, switch gear and capacitor to United Arab Republic, Iraq and Singapore. The Boiler Plant of Bharat Heavy Electric Ltd. (BHEL) has supplied high pressure valves for Poland and West Germany. This plant is, at present, working on an order for 2 x 60 MW boilers for Malaysia.

The Associated Cement Companies (Ltd.) has successfully secured a Rs. 10 million contract for the erection of a cement clinker grinding and packing plant in Kuwait in the face of stiff competition from 18 inter-

nationally known cement companies of the U.K., West Germany, Japan, and other countries.

A consortium of five public sector units—The Indian Consortium for Power Projects—has secured three orders for supply and erection of power transformers abroad against the competition of such celebrated firms like English Electric and Hawkers Sidley of the U.K., Elin of Australia, Mitsui of Japan and Ansaldo of Italy.

This short account of industrial development in India since the inception of planning in overall national terms, however, fails to bring out the relatively secondary problem of uneven distribution of industrial enterprises among different regions of the country. Although the attainment of wider dispersal of industries has always been a guideline for planning for new industries and the selection of locations for public sector units has been generally made in keeping with this consideration, the net result of industrial expansion has been a high concentration of factory establishments and a higher concentration of output in certain parts of the country. According to the data of the *Annual Survey of Industries*, 1966 covering 12,300 registered factories employing 50 or more workers with the aid of power and 100 or more workers without the aid of power, the six States of Maharashtra, West Bengal, Tamil Nadu, Gujarat, Bihar and Uttar Pradesh between them account for 64 per cent of the census factories, 66 per cent of the productive capital, 71 per cent of employment and 75 per cent of the value of output and of value added by manufacture. (Government of India, *India 1971-72*, p. 339.)

That the powers assumed by the Union Government under the Industries (Development & Regulation) Act, 1951, were not able to correct the regional imbalance in industrial development—one of the avowed objectives of the Act—will be evident from the figures of State-wise distribution of industrial licences during the period—1956-1966. Table below gives the relevant figures.

*Statewise Distribution of Industrial
Licences issued—1956-1966*

States	Per cent
Maharashtra	27.37
West Bengal	16.47
Tamil Nadu	9.68
Gujarat	8.89
Uttar Pradesh	5.61
Bihar	6.71
<i>Total for six advanced States</i>	<i>74.73</i>

<u>States</u>	<u>Per cent</u>
Andhra Pradesh	3.31
Assam	0.95
Kerala	3.61
Madhya Pradesh	2.47
Orissa	1.18
Punjab (including Haryana)	6.31
Rajasthan	1.76
Mysore	3.26
Delhi	2.10
Others (including unclassified)	0.78
<i>Total for less developed States</i>	<i>25.27</i>
<i>Grand total</i>	<i>100.00</i>

(Source : Government of India, *Report of Industrial Licensing Policy Inquiry Committee*, Vol. III, p. 63.)

Another significant aspect of regional distribution of industries in India is that the industrial base of the more industrialised States is far more diversified than is the case with the less developed areas. A recent study on regional industrial diversification in India shows that : "Excepting Maharashtra, West Bengal and Tamil Nadu, the 'industrial base' of almost all other regions is characterised by an independent set of block of agro-based or mineral-based consumer/intermediate goods industries. For example, the industrial base of Gujarat consists of four sets of (1) agro-based, (2) fibre-based (textile) consumer goods industries, (3) chemical based intermediate goods industries, and (4) non-metallic mineral-based industries. The development of capital goods or demand-based industries is rudimentary in this region, the demand for their products being met mainly by imports. The industrial base of Uttar Pradesh is characterised by a wide spectrum of agro-based or mineral-based industries. In the capital goods sector, activities are mainly confined to repair of equipment and motor vehicles. The industrial base of Kerala is characterised by the predominance of agro-based or chemical-based industries and is lacking in capital goods and foot-loose industries. This type of traditional, primary-resource-oriented bases is the basic characteristic of the industrial base of the regional economies in India—except Maharashtra, West Bengal, Tamil Nadu and to some extent Punjab, which besides specialising in resource-based industries also specialise in capital goods and foot-loose industries." (Y. K. Alogh, K. K. Subrahmanian and S. P. Kashyap in *Economic and Political Weekly*, Bombay, 10 April 1971.)

Another significant feature brought out in the study quoted above is that heavy investments in major public sector projects in backward areas like Orissa and Madhya Pradesh have not fulfilled the expectation of the planners that they would "serve as a spearhead of intensive and broad based development". They have not become nuclei of growth in those regions. "Public sector investment" the authors say, "has led to an enclave type development in the less developed regions and 'spread effect' within the respective regions has been low." (*Ibid*)

Before we conclude the discussion on the industrial progress so far achieved, it is necessary to underline its specific character. Unlike the historical evolution of industrialisation in the developed countries, which advanced from simple to complex, consumer goods industries to producer-cum-capital goods industries, the course of development chosen by the planners in India represents a reversal of the process—that is, a course of advance from heavy producer and capital goods industries towards a diversified complex of consumer goods industries. This strategy was first formulated in the second five year plan : "Low or static standard of living, underemployment or unemployment and to a certain extent the gap between average incomes and highest incomes are all manifestations of the basic underdevelopment, which characterises an economy depending mainly on agriculture. Rapid industrialisation and diversification of the economy is the core of development. But if industrialisation is to be rapid enough, the country must aim at developing basic industries and industries which make machines to make machines It is desirable to aim at proceeding farthest in the direction of developing heavy and capital goods industries which conform to these criteria." (*Second Five Year Plan*, p. 25)

The entire strategy was more explicitly spelt out in the third five year plan which said :

"India's potential capacity to produce steel and other basic materials relatively cheaply and the large and expanding domestic market place her in a favourable position to produce machinery and a large range of engineering, chemical and electrical goods needed for development. In turn these will stimulate the growth of medium and small industries and expand employment both in urban and rural areas....." (*Third Five Year Plan*, p. 24.)

The inspiration of strategy evidently came from the ideas of national development propounded by Pandit Jawaharlal Nehru, who held :

"Unless we start from the base, we cannot build the third or fourth storey. We can advance in minor sectors of the economy, but if we do not build the basic structure, it will not make any difference to the hundreds of millions of our people. The strategy governing planning in

India is to industrialise, and that means the basic industries being given the first place."

The rationale of this strategy was developed in economic terms by the key architect of the second and third five year plans, Professor P. C. Mahalanobis, who argued :

"In India it would be economical to establish a heavy machine building industry which would manufacture heavy machines and equipment required for the installation of factories for the production of steel, fertilisers, aluminium, etc., or for the production of heavy electrical equipment like big generators, transformers, switchgear, etc. It would be also economical gradually to establish large-scale industries for the manufacture of synthetic raw materials of many kinds (including the production of petrol from coal in case an adequate supply of oil is not discovered). Once such basic industries are established it would be possible to expand the production of electricity, coal, steel, aluminium, fertilisers, mining and transport equipment, etc.; and then, with the help of such heavy machinery, producer goods, and energy, to manufacture machinery for the increasing production of consumer goods."

Professor Mahalanobis further worked out the rationale of the strategy in 1958 when he said :

"In order to feed the fresh additions to the population at the rate of 5 million persons per year, it would be necessary to provide an additional quantity of 700,000 tons of foodgrains every year which would require Rs. 450 crores of foreign exchange over a period of five years. The cost can be reduced to Rs. 135 crores of foreign exchange in a 5 year period, if an additional quantity of 350,000 tons of ammonium sulphate is ordered from abroad every year, at least two years in advance of the crop season. The cost can be further reduced to Rs. 125 crore (out of which the foreign exchange component would be Rs. 50 crore) over a five year period, if a new fertiliser factory of 350,000 ton capacity is started every year; this would call for a decision 4 or 5 years ahead of the crop season concerned. The apportioned cost of a heavy machine building factory which would manufacture machinery in India to instal every year a new fertiliser factory of 350,000 ton capacity would be, however, as small as Rs. 12 or 15 crore with a foreign exchange component of perhaps Rs. 8 or 10 crore. Such a decision would have to be made only once but eight or ten years in advance of the season in which the fertiliser would be used..... Similar considerations hold good in other crucial sectors. An investment of Rs. 150 crore, including Rs. 80 crore of imported machinery, would be required to instal a million-ton steel plant with a product value of Rs. 40 or 45 crore. A heavy machine building factory with an investment of Rs. 80 crore, with foreign imports worth about Rs. 50 crore, would produce every year machinery

worth roughly Rs. 80 crore or the equivalent of imported machinery needed to set up a million-ton steel plant. Once such a heavy machinery factory gets into production, it would be possible to start a new million-ton steel plant every year out of our own resources."

This strategy has often been questioned by Indian and foreign critics. Professor P. T. Baur, for example, holds "neither the rate of economic development, nor the growth of industry, nor the rate of capital formation, depends on the growth of specific types of heavy industries. In no sense is the prior development of local capital goods industry necessary either for material prosperity or for subsequent development of manufacturing industry itself". (P. T. Baur, *Indian Economic Policy and Development*, George Allen & Unwin Ltd., London, 1961, p. 60.)

Indian economists like Professor C. N. Vakil and Professor B. R. Shenoy also expressed similar views. Gunnar Myrdal, in his monumental work, *Asian Drama*, has criticised the arguments given by the exponents of India's strategy for industrialisation as fallacious, but broadly commended the basic course as rational, "even if the main supporting arguments are weak." He concedes the justification of the strategy mainly on two grounds : (i) "India has an internal market large enough to make possible the exploitation of the economics of scale normally associated with heavy industry"; and (ii) "an allocation of industrial activity favouring capital goods (rather than consumer goods) at least produces a volume of output that the economy cannot consume. The physical composition of output itself imposes a form of forced saving by preventing increases in output from being directed in their entirety to current consumption." (Gunnar Myrdal, *Ibid*, pp. 1166-7.)

With over Rs. 60,000 million already invested in the heavy industrial sector, debate about the rationale of this strategy at this stage is somewhat academic. However, there is today a wide consensus in the country about some of its major consequences, such as :

- (i) The creation of the heavy industrial base in the country has strengthened her political independence and defence capabilities ;
- (ii) The failure to utilise to the full the already created capabilities in a large part of heavy industry sector has prevented the country from exploiting the economies of scale and has, therefore, failed to bring the country adequate return on massive investments ;
- (iii) The 'forced saving' resulting from concentration on heavy industry, whose products do not enter into consumption

goods fund directly, has led to a sustained depression of the standards of living of the vulnerable sections of the population ; and, finally,

- (iv) The large and growing dependence on 'maintenance imports'—that is, imports of raw materials, intermediate goods and components and spares—for the industrial complex so far created has given rise to another kind of dependence on the developed countries.

These questions have led to a demand for a reconsideration and recasting of the development strategy. We discuss their implications in subsequent chapters.

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Chapter VIII

THE PUBLIC SECTOR

Since the inception of planning the public sector has come to assume a pivotal position in the Indian economy and, more particularly, in the industrial sector. Even earlier, public utilities like railways, posts & telegraphs, and telephones, as also defence production establishments were state-owned and managed. But since the second five year plan which initiated a bold strategy of industrialisation of the country the public sector has expanded immensely in respect of number of undertakings as well as in volume of investment. The total number of units in the public sector, excluding public utilities and defence establishments mentioned earlier, was 21 with an investment of Rs. 810 million at the commencement of the second plan, which rose to 48 units with an investment of Rs. 9,530 million at the commencement of the third plan. On 31 March 1971 there were 97 units with a total investment of Rs. 58,600 million.

The total number of employees in the public undertakings was 660,000 at the end of March 1971. The total amount of foreign exchange earned by the public sector in 1970-71 was valued at Rs. 1,890 million—Rs. 930 million by the air and shipping units and Rs. 960 million by the others.

The Prime Minister, Mrs. Indira Gandhi, in her speech before the Heads of public sector undertakings on 19 July 1969 put the role of the public sector in the national economy in perspective when she said : "The public sector occupies a pivotal role in our economic strategy. From the very beginning it has been recognised that the public sector would necessarily have to venture into the difficult and capital-intensive fields of basic industry which the private sector had shunned for long. This has been done boldly, sometimes in the teeth of opposition. I think we can say with justifiable pride that the sinews of our strength, though it may be modest by standards of advanced countries, lie largely in our public enterprises."

These enterprises are operating in diverse fields, such as, steel, heavy engineering, fertilisers, basic chemicals, petroleum, drugs, mining and minerals, ship building, aviation, and shipping services, not to mention the production of tanks, jet planes, trucks and jeeps in the defence production units. Besides, there are some enterprises of a

promotional, developmental and financial character, like the National Small Industries Corporation, the nationalised banks, the Life Insurance Corporation and the Industrial Finance Corporation. The public sector has come to occupy the leading role in the sphere of steel, heavy engineering, petroleum refining and fertilisers. Table below gives the sectorwise distribution of public sector investment, as in 1969-70 :

*Sectorwise Distribution of Investment—1969-70
(Amount in Rs. crores)*

Sector	Investment	P.C.
1. Steel	1419	32.99
2. Engineering	1020	23.72
3. Building and repairing ship		
4. Chemicals	489	11.37
5. Petroleum	399	9.29
6. Mines and Minerals	368	8.56
7. Aviation & Shipping	185	4.30
8. Trading	314	7.30
9. Miscellaneous	100	2.32
10. Financial Institutions	7	0.16
	4,301	100.00

(Source : Bureau of Public Enterprises)

In the early phases the spokesmen for the private sector had generally taken a critical view of the decision to accord priority and allocate a larger share of investment to the public sector ; they have subsequently not only reconciled themselves to this development, but also come to appreciate the beneficial role of the public sector in regard to the private sector itself. Thus Mr. S. S. Kanoria, the outgoing President of the Federation of Indian Chambers of Commerce and Industry (FICCI), said :

"FICCI recognises that in Indian conditions the public sector can serve as a catalyst for industrial development." (*Hindusthan Standard*, Calcutta, 25 March 1972.)

He then went on to say that "in fact it is most anxious that public sector enterprises should function efficiently and profitably. The steel shortage which so gravely hampers a large number of industrial units would have been avoided, if public sector steel plants were able to work to their installed capacity. Moreover, public sector enterprises provide orders for private business, e.g., engineering units that produce components for steel plants, wagon building units for railways, etc. FICCI has organised a seminar on 'maximisation of capacity utilisation',

a problem common to public and private sector enterprises. Representatives from both sectors participated in this seminar. Finally, one of the biggest public sector enterprises, the State Trading Corporation has become a member of FICCI. Other public sector units may follow in due course.

"FICCI thinks that there is scope for the joint sector in which Government and private business can work together in industrial enterprises, realising the advantage of both."

While the private sector's attitude towards the public sector is responsive and a congenial climate has developed for the cooperation between the two, widespread dissatisfaction has also been generated at the same time in regard to the uneconomic and inefficient functioning of some of the major units of the public sector.

Without ignoring the significant role that the public sector has played in filling up the structural gaps by expanding the steel making capacity, setting up the heavy machine manufacturing complexes and breaking new ground in petroleum exploration and refining, and without underestimating the public sector's contribution to the savings of foreign exchange resources through import substitution, disappointment has been widely voiced in regard to the extremely poor working results of some of the largest units of public enterprises—leading to a negative return on the huge investments made on them.

For instance, the Administrative Reforms Commission, set up by the Government of India, said in its report on public sector undertakings : "Several public sector projects have accumulated substantial losses. By the end of the Third Plan period, the Hindustan Steel had accumulated losses of about Rs. 60 crores, the Heavy Electrical, Bhopal, of about Rs. 26 crores, the Neyveli Lignite Corporation of about 4.5 crores and the National Mineral Development Corporation of Rs. 2.5 crores. Losses of lesser magnitudes have also accumulated in the case of several undertakings..... It is, of course, true that in projects having long gestation periods, losses or low returns are inevitable in the beginning. However, after making allowance for this factor, we find that there have been other causes too which have contributed to the accumulation of losses to a substantial extent. Thus, over-capitalisation is one of the main causes. In some cases, the implementation of expansion programmes before a project reached full production, as in the case of Hindustan Steel, or inadequate utilisation of installed capacity as in the case of Heavy Engineering Corporation, Ranchi, and the Heavy Electricals, Bhopal, have also contributed to the accumulation of losses. There are also a few cases where losses could be attributed to shortcomings of the concerns themselves."

"Further," the A R C continued, "neither in quality nor in price, have some public undertakings brought full satisfaction. Many kinds of special steel have still to be imported because the public sector steel plants are yet to achieve the needed quality of manufacture. In the case of basic products like steel and fertilisers, it has not been possible to keep the prices within reasonable limits. With the recent increase in steel prices, the position now is that the price of steel in India, as compared to the domestic price prevailing in other countries, is higher by about 25 to 30 per cent. The position is even worse in the case of fertilisers..... These prices are 75 to 100 per cent higher than those prevailing in other countries."

The A R C made its report towards the end of 1967. During the five years since then, the situation does not seem to have registered much improvement. According to the latest available information, the Heavy Electricals (India) Ltd., has already eaten up its entire paid up capital. As against the paid up capital of Rs. 500 million, the unit has, by the end of March 1971, accumulated a total loss of Rs. 598.7 million according to the Committee on Public Undertakings.

The Committee has further noted that the completion of six hydel and three thermal projects had been delayed in the country as HEL could not adhere to its delivery schedule. Thus the generation of about 1,425 MW of power had been put off to a future date, which in turn had adversely affected the development of agriculture and industry in the regions concerned.

Heavy Electricals (India) Ltd. was not alone in the red, 87 of the 96 public enterprises (excluding the LIC) whose assessment was due on 31 March 1971, yielded a net loss of Rs. 33.7 million—50 undertakings making a net profit of Rs. 749.1 million but the remaining 37 incurring a net loss of Rs. 782.8 million.

For the next year, i.e., 1971-72, results are now available for 52 industrial units. Thirty of them made a net profit of Rs. 564.5 million while the losses incurred by the remaining 22 units totalled Rs. 644.4 million—leading to a net loss of Rs. 79.9 million.

This poor performance of so many of the public undertakings arises from a number of causes.

The Administrative Reforms Commission has in its report on public sector undertakings revealed a number of short-comings in their planning and working. It says : "in the case of a number of projects inadequate attention at the planning stage led to the prolongation of the period of construction, delays in the attainment of production targets and much

higher investment than was originally envisaged". The Report then specifically mentioned some major elements of defective planning, such as, omission to take certain steps during the project formulation stage, resulting in the execution of projects on the basis of incompletely conceived plans and estimates ; lack of detailed analysis on the scope and pattern of product mix ; inadequate soil investigation required for the selection of site ; lack of proper assessment of the demand for the product ; and, incomplete analyses of commercial profitability as well as national economic benefit.

The A R C then went deeper into the faulty methods of management and control. It said :

"The organisational structure devised for the management of the public undertakings has also several deficiencies. The top management, consisting primarily of 'policy-making' type of governing boards have largely been unable to give sustained and positive direction to persons at the operating level. There is too much of official representation and too little of technical talent on the governing boards. The position is also not satisfactory in regard to devolution of adequate powers on the top management boards and their delegation to the operational levels. While the spread of Government control has been wider than necessary, the control exercised by Government at certain key points has not been effective. The demarcation of responsibilities between the Government and the public undertakings is also not sufficiently clear-cut and this tends to erode the autonomy of the public undertakings."

Inefficient and uneconomic management, according to the ARC, was one of the major causes of the unprofitable working of the public sector undertakings. The committee gave details of the heavy load of inventory unnecessarily carried by the public sector units. It said :

"Of the total working capital of Rs. 384 crores as at the end of 1965-66, relating to 40 running concerns of the Central Government, the inventories accounted for Rs. 361 crores. Of this, Rs. 222.5 crores was the value of raw materials, stores and spares (both of production and construction) and the remaining Rs. 138.5 crores related to works in progress, finished goods and other items. In addition to the funds that get tied up in this way, the inventory-carrying costs which are placed at 15 to 20 per cent of the value of the inventory also impose a heavy financial burden."

According to the ARC, the materials management of the Indian public sector units was relatively inefficient compared to international standards and even to the private sector of India.

"The sales-inventory ratio of the running concerns of the Central

Government for the year 1965-66 is reported to be 2 : 1. The ratio was the same in 1964-65 also. This is less favourable than the ratio of 2.75 : 1 reported to be obtaining in the private sector. For the developed countries, this ratio is placed in the neighbourhood of 5 : 1. The same picture emerged on comparing the value of inventory holdings of public undertakings with their cost of production. In five undertakings the inventory holdings were higher in value than two years' cost of production and, in five others, it was equivalent to less than two years' but over one year's cost of production. In their recent report on Materials Management, the Committee on Public Undertakings observed that if the inventories of industrial running concerns could be reduced to 6 months' production—which would by no means be difficult—it would mean release of capital to the extent of Rs. 104 crores....."

Coming to the works level management, the Committee found that the staffing of the middle management with deputationists from Government departments was a major cause of the inefficient, if not irresponsible, functioning of the public sector undertakings :

"The data furnished by 29 Central Government undertakings show that in respect of middle management level posts and above, deputationists occupy as many as 38 per cent of the posts in the finance and accounts organisations of these undertakings and 33 per cent on the personnel and general administration side. On the technical side, only about 3 per cent of the posts are occupied by the deputationists. A constant inflow of deputationists in the senior management levels is not desirable, because it will be difficult for the deputationists to identify themselves adequately with the undertakings while they continue to look to their parent departments for future promotion."

Taking note of the ARC's observations, the fourth five year plan has urged for remedying this state of affairs in the sphere of the public undertakings. "The overall performance" of the public sector, the fourth plan admits, "has not been uniformly satisfactory . . . Expectations of a significant contribution to Plan resources from the internal resources of these enterprises have not been realised ; on the other hand, several of them have to rely on budgetary support to meet their cash losses. Productivity and profitability of these enterprises are a matter of urgent importance . . . there is considerable scope for improvement in efficiency and performance."

As a follow-up measure the Government has recently set up the Action Committee on Public Sector Undertakings, under the chairmanship of Mr. M. S. Pathak, Member, Planning Commission, to undertake a review of selected public sector undertakings and to make suitable recommendations.

This Committee is to suggest ways and means for ensuring maximisation of production, minimisation of cost, good preventive maintenance of plant, healthy labour relations and adequate research and development activities.

The Committee is expected to complete its studies in a period of 12 to 18 months. In the meantime, it will submit, as and when possible, interim recommendations.

The shortcomings in the functioning of some of the public sector units notwithstanding, there is no doubt that the public sector is playing a vital role in the Indian economy. It provides most of the infra-structure and the heavy industry base on which the economy can progress towards the take off stage. The self-reliance of which much is made nowadays is becoming a meaningful slogan only because of the underpinning provided by the public sector to our industry.

Chapter IX

FOREIGN AID AND COLLABORATION

In the process of economic development since the inception of planning, foreign aid and collaboration have played an important role. Up to the end of 1970-71, the total external assistance utilised amounted to the staggering figure of Rs. 119,786 million. The total number of foreign collaborations approved by the Government of India between 1951 and 1970 was 3,600; of this more than 800 involved financial collaboration. External assistance at the state level and collaboration between foreign and Indian private enterprises have both been multiplying fast since the inauguration of the second five year plan with its emphasis on heavy industry.

Growth of Utilised External Assistance to India

(Rs. million)

Period	Total	P.C. of Grants
Up to First Plan	3,177	34.8
During Second Plan	22,526	11.2
During Third Plan	45,310	3.7
During the five years 1966-67 to 1970-71	48,773	6.0
<i>Total</i>	<i>119,786</i>	<i>6.9</i>

It will be seen from the above that the amount of the utilised external assistance rose nearly 38 times from Rs. 3,177 million at the end of the first plan to Rs. 119,786 million at the end of 1970-71.

Though the volume of assistance has been growing every five yearly period over the previous quinquennium, the tempo of this growth was the highest during the second plan period when the rate of growth was 700 per cent. During the next five years, the volume was exactly doubled and there was only a marginal rise during the latest quinquennium.

The proportion of grants in the total external assistance was the highest at 34.8 per cent during the first plan period; it sharply dwindled to about four per cent during the third plan period, after which it again rose slightly to 6.0 per cent in the five years ended 1970-71.

Up to the end of 1970-71, a total amount of Rs. 135,641 million has been authorised as external assistance to India. Of this, the U.S. Government and international agencies in which the U.S.A. is the major contributor, have sanctioned by far the major part. The total assistance authorised by the U.S.A. stood at Rs. 50,406 million and that of the International Bank for Reconstruction and Development (IBRD) and International Development Agency (IDA) at Rs. 13,874 million. Next came the share contributed by the USSR which stood at a little over Rs. 18,500 million.

Payments on account of servicing the external debts, i.e. amortisation and interests, have been consequently rising during this period, as may be seen from the table below :

<i>External Debt Servicing</i>	
	(Rs. million)
First Plan	238
Second Plan	1,194
Third Plan	5,426
Five years—1966-67 to 1970-71	18,450
<hr/>	
Total	25,308

In the current year debt servicing burden is expected to be as much as 28 per cent of the country's exports and 55 per cent of the new commitment of aid.

The number of foreign collaborations approved by the Government also showed the same spurt of growth after the end of the first plan. Of the 3,600 agreements approved up to the end of 1970, 3,357 agreements relate to the period since 1957.

Annual outflow on account of collaboration agreements—royalty and service fees—has also been rising. According to the Lok Sabha Estimates Committee's report on industrial licensing, payments on this account increased from Rs. 67 million in 1956-57 to Rs. 239 million in 1965-66.

External assistance—an object of acute controversy among the economists and politicians in the contemporary world—theoretically has a dual role to play in the development of a backward economy. First, it obviously supplements the domestic savings—necessarily low in an underdeveloped economy—and thus helps to pierce through the so-called 'savings barrier'. The second and the third plans depended on external assistance to raise the investment rate by about 2.5 per cent of net national product. The second object of external assistance is to break through what is called the 'balance of payments barrier' by augmenting the foreign exchange resources earned through—the necessarily limited—exports of a backward economy.

The fundamental supposition behind the recourse to external assistance in national development is that it will be self-liquidating. As a result of injection of borrowed resources and easy imports of the required capital and producer goods, the national production, productivity, savings and investment will be steadily rising, which will not only lead to a gradual lessening of the dependence on foreign aid, but also enable the country to increasingly pay off the liabilities, earlier incurred.

Even if the theoretic frame of utilisation of external assistance is correct, it has not worked according to expectation in the case of India. Twenty years of 'foreign aid has failed to end foreign aid'. Neither national savings, nor the exports have risen as a proportion of national income. In the meanwhile, political implications of foreign aid have surfaced and hurt the national pride.

"Foreign aid", says an eminent Western economist, "represents resources compulsorily taken from the citizens of the donor countries by their Governments. It differs essentially from voluntary charity. It can, therefore, be rightly asserted that the granting of foreign aid should serve the interest of the donor country..... The granting of foreign aid necessarily draws the donor country into the internal politics of the recipient country.....political purposes are now preponderant and hence political implications and results of the use of transferred resources are crucial." (Professor P. T. Baur, *op. cit.* p. 119-21).

Beginning from the 1956 letter of Mr. Eugene Black, the then President of the International Bank for Reconstruction and Development (IBRD), in which he had urged upon the Government of India to revise its policy of accoring priority to the public sector to the two occasions of unilateral suspension of aid by some aid-giving Governments during the critical periods of war with Pakistan—a series of developments have impressed upon the national opinion the pitfalls of dependence on foreign aid.

A recent official handout echoed the chagrined national sentiment when it said : "External aid under stringent economic and political conditions is quite a different matter. It is doubtful, given the nature of the conditions imposed, whether the comparative advantages are at all sustained in the end via such transactions. The receiving country is in any case marked by the stigma of supplication, but the content of the so-called 'aid', more often than not, has a chimeric quality. It is time that we drew the veil over this particular chapter in our growth process." (PIB handout, *Republic Day Feature*, 1972)

Another recent official document is even more emphatic about the urgency of shedding dependence on foreign aid. Thus, *Economic Survey, 1971-72* of the Government of India says :

"The unilateral suspension of a part of the commitments for economic assistance from abroad in the wake of hostilities in December 1971 has further intensified the national urge to do without external aid. Although there was a general awareness that assistance was often proffered because of non-economic motives, recent developments have made it clear that it is yet another instrument of diplomacy, which is liable to be deployed against us at a time of critical need. This realisation has strengthened the demands for greater self-reliance so as to ensure that the country's policies and programmes are not subjected to pressures from aid-giving countries." (Government of India, *Economic Survey*, 1971-72, p. 55).

It should be noted that in recent years the actual contribution of foreign assistance to the financing of economic developments in India has significantly fallen—from about three per cent of national income in 1964-65 to less than one per cent now. As *Economic Survey* has pointed out, the contribution of foreign assistance has fallen from 25 per cent of investments in the early 1960s to 13 per cent in the last few years. But this fall was not of our seeking and has not been without adverse impact on the economy, which has been largely stagnating, bumper agricultural crops notwithstanding.

Unless a whole series of well planned measures for conserving the national resources and raising the level of productivity and savings are carefully worked out and implemented, any stoppage of foreign aid or even its drastic reduction may seriously depress the economy. This is the biggest economic problem faced by the people of India on the eve of the 25th anniversary of freedom.

So far as the collaboration with private enterprise is concerned, India's experience has not been unhappy, although some minor readjustments in the mutual relations and terms and conditions of collaborations have been sought and partly achieved. As a prominent management leader of industry in India has said about the benefits of collaboration to India : "The first important gain is that these ventures have helped to bridge the vast technological gap that separates India from the industrially advanced countries. Joint ventures—some of them in the public sector—produce fighter aircraft, 120 MW generating equipment, 3000 HP diesel locomotives, cement, paper, chemical and textile machinery, and sophisticated instrumentation. There is scarcely an industrial field in which India has not already made an entry, the beginnings often being made under the auspices of joint ventures." (A. K. Sen, *Problems of Joint International Business Ventures*, IOL, 1969, pp. 24-5)

Although the Government of India has been seeking to redefine its policy about private foreign collaboration to make it a more effective

instrument of industrial development in the country, the official agencies have been in the meantime approving a larger number of foreign collaborations than before. According to the latest information, foreign collaboration proposals approved during the first half of 1971 (January-June) numbered 166 as against 135 and 183 proposals for the full years of 1969 and 1970, respectively. (*Hindusthan Standard*, Calcutta, 8 February, 1971).

Chapter X

THE RECESSIONARY WAVE

Though there have often been fluctuations in the rate of industrial growth, never before 1966, had there been an absolute fall in the general index of industrial production since the beginning of planning. What is perhaps even more upsetting is that although after two consecutive years of absolute decline, industrial production again started picking up in 1968, the annual growth rate never matched the tempo of the first five years of the sixties. Indeed, after two years of acceleration (in 1968 and 1969), the annual growth rate of manufacturing industries again slumped. During the first half of 1971 (January-June), it had come down to as low a rate as 1.3 per cent.

Growth Rate of Manufacturing Industries

(P.C. change over previous year)

<u>Year</u>	<u>Growth Rate</u>
1961	+ 9.1
1962	+ 9.5
1963	+ 8.0
1964	+ 9.5
1965	+ 8.8
1966	- 2.0
1967	- 1.7
1968	+ 5.5
1969	+ 7.0
1970	+ 4.5
1971 (January-June)	+ 1.3

It will be seen from Table above that the rate of manufacturing industries growth which averaged 8.6 per cent a year during the five years, 1961 to 1966, was reduced by more than two-thirds to an average of 2.7 per cent a year during the next five years. In the first half of 1971, it declined further to 1.3 per cent. The *general* index of industrial production which embraces the index for electricity generation also as a component shows a slightly better trend, as with a weightage of 5.37 per cent in the *general* index, electricity generated consistently maintained an average growth of over 10 per cent during the 10 year period from 1961 to 1970.

To come back to the manufacturing industries, never before 1966 did the index number register an absolute fall since the inception of planned development in 1951 and only in a single year—1958—did it record a nominal rise of less than two per cent. The sustained depressionary pressure since 1966, therefore, marks an entirely new phase in the developments since 1951 and deserves a serious probe.

Table below gives the breakdown of the general index of manufacturing industries into its sectoral components.

Percentage Changes in Index Numbers of Production

Year	All manu-factories	Consumer goods	Intermediate goods	Capital goods
1965	+ 8.8	+ 4.3	+ 5.6	+ 18.0
1966	- 2.0	+ 4.9	+ 0.3	- 13.6
1967	- 1.7	- 5.1	+ 1.0	- 6.5
1968	+ 5.5	+ 6.4	+ 6.3	+ 0.5
1969	+ 7.0	+10.8	+ 5.8	- 1.2
1970	+ 4.5	+ 6.4	+ 1.3	+ 3.8
1971	+ 1.3	+ 0.7	+ 3.8	- 0.3
(Jan.-June)			--	

It will be seen from Table above that though there is uniformity in the movement of all the four series, it is the capital goods sector that has been hit the hardest. During the five and a half years under reference, the index numbers of production for this sector suffered the largest decline.

The relatively more depressed state of the capital goods sector indicates two significant features of the situation : (i) that the confidence in early and quick recovery is lacking, and (ii) if and when confidence will be restored, it will be relatively more difficult to pick up the tempo of growth on the basis of indigenous supply of capital goods.

The recessionary phase in the Indian economy that set in in 1966 is really a complex phenomenon. The set-back in the industrial sector, says an official analysis, was the outcome of factors operating on both the supply and demand sides. Droughts for two years in succession curtailed the availability of agricultural raw materials and raised their prices. Through most of 1966-67, the supply of imported raw materials was severely limited as a result of reduced foreign exchange allocations during 1965-66 (on account of suspension of foreign aid following the war with Pakistan in 1965). The demand for consumer goods such as cotton textiles was affected by the decline in real incomes (on account of drought). Investment expenditures in the public (because of lack of

resources following reduced foreign aid) and private (because of shortage of raw materials as well as the absence of the promotional push supplied by the public sector expenditure) sectors did not expand briskly and were reduced in some cases, and this affected the demand for capital and intermediate goods. (*Government of India, Economic Survey, 1966-67*, p. 13).

During a depressionary period there is a chain effect of depression among various industries. For instance, to quote again from the above source, "Output of finished steel in April-December 1966 was a shade lower than the corresponding period of the previous year but unsold stocks rose sharply. Production of railway wagons declined by more than 33 per cent reflecting reduced order from the Railways in line with a downward revision of prospects for freight traffic. The depressed state of the steel industry and the railways created a slump in the derived demand for coal, as an intermediate good. Output of coal remained unchanged but stocks at pitheads increased by more than half a million tonnes." (*Ibid*, p. 14)

Besides the adverse effects of droughts on the industrial economy—shortfall in supply of agricultural raw materials and decline in consumer demand—the other two major factors responsible for the onset of the recession, therefore, may be summed up as follows :

- (i) The drastic fall in the value of imports of inputs on account of reduced foreign exchange allocations. The value of imported metals and metal-manufactures, for instance, declined from \$ 405 million in 1960-61 to \$ 388 million in 1965-66 and to \$ 267 million in 1966-67.
- (ii) The public sector which is responsible for roughly two-thirds of the total national investment was compelled by the prevailing circumstances—flationary pressure of the drought situation and decline in net receipt of foreign aid—to slow down its investment activity. The Central Government's direct gross fixed capital formation—at constant prices—which had increased by 15 per cent in 1963-64, rose by eight per cent and 0.1 per cent only in 1964-65 and 1965-66, respectively. (*Ibid*, p. 27)

"Public investment in 1966-67", said *Economic Survey 1966-67*, "either declined or stayed put at the preceding year's level.....A slowdown in public spending affected adversely the growth of private sales and possibly created a psychology of hesitation among private investors". (*Ibid*).

The difficulties of the situation were further enhanced by "a large rise in the cost of imported capital goods following devaluation and uncertainty regarding project aid from abroad." (*Ibid*)

Although the drought has yielded place to a succession of bumper crops, the other two major factors behind depression of the economy, viz., the low levels of imports of industrial inputs and of public sector investments, have continued to persist, as may be seen below :

Imports in \$ million

Year	Total	Capital goods	Metal manufactures
1965-66	2958	1071	38
1966-67	2776	791	23
1967-68	2630	680	19
1968-69	2544	703	18
1969-70	2110	537	9
1970-71	2167	525	12

It will be seen from the above that even in terms of the depreciating dollar, the value of imports—total, of capital goods and of metal manufactures component of capital goods, has been declining year by year. In real terms, the decline is obviously heavier. As import substitution is neither designed to be, nor can really be, a race for autarky—it really means substitution of one kind of imports with another—this implies that a growing part of the country's production potential is being forced to remain unutilised for want of raw materials and components as also the development of new lines of production is being hampered for want of the requisite capital goods.

To come to the second feature of the slowing down of the tempo of public sector investment, Table below supplies the relevant figures :

*Gross Capital Formation out of Budgetary Resources
of Central Government*

(Rs. crores)

1965-66	1805.4
1966-67	1793.2
1967-68	1647.7
1968-69	1659.6
1969-70	1612.1
1970-71	1917.3
1971-72	2217.2

It will be seen from Table above that even in terms of current value, the amount of gross capital formation out of the Central Government's budgetary resources was, during the four years from 1966-67 to

1969-70, significantly lower than the level in 1965-66. In 1970-71, it was only slightly higher. The subsequent rise in the amount in 1971-72 barely makes up for the rise in the price level. But it most definitely fails to act as an adequate stimulant for growth as the economy has expanded somewhat during this period.

One of the major constraints of growth that emerges from the above analysis is the inadequacy of foreign aid. Table below shows the dwindling inflow of net aid during the last five years :

Inflow of Foreign Assistance

(Rs. crores)

Year	Gross disburse- ment	Outflow on account of debt servicing	Net inflow
1967-68	1196	333	863
1968-69	903	375	528
1969-70	856	412	444
1970-71	791	450	341
1971-72 (estimates)	778	450	328

(Government of India, *Economic Survey, 1971-72*, p. 56.)

It will be seen from the above that between 1967-68 and 1971-72, while the burden of debt servicing increased by over 35 per cent from Rs. 3,330 million to Rs. 4,500 million, the inflow of gross aid was reduced by about the same proportion from Rs. 11,960 million to Rs. 7,780 million. As a result of this two-way adverse movements the inflow of net aid declined from Rs. 8,630 million to Rs. 3,280 million or by over 62 per cent.

"Since external assistance", as explained in an official paper, "provides support to the balance of payments as well as resources for investment", falling external assistance, therefore, means a falling volume of investment, a scaling down of capital formation activities in the country.

In the absence of any alternative mechanism to make up for the loss of external assistance resources in the investment programme, a slow down of growth rate has become inescapable. *Economic Survey 1971-72* rightly concludes : "Since investments in the public sector have been pivotal for generating momentum elsewhere in the economic system, it is the paucity of public savings, which, more than anything else, is frustrating current attempts at a large-scale industrial breakthrough". (Government of India, *Economic Survey 1971-72*, p. 37)

Chapter XI

CHALLENGE OF THE SEVENTIES: POVERTY UNEMPLOYMENT AND TARDY GROWTH

The foregoing survey has sought to present the highlights of the country's achievements in the battle for national reconstruction. Judged in terms of absolute dimension, the progress achieved in both agriculture and industry during the last two decades is unprecedented. Yet, somewhat paradoxically perhaps, instead of mitigating the chronic problems of mass poverty and unemployment, the achievements to date have only served to expose the inadequacies of the advance registered in these spheres. According to available evidence, the number and proportion of the population below the poverty line does not seem to have grown any smaller. The volume of unemployment and under-employment has in fact gone up. The impact of development so far can be located only in the marginal re-distributive effects of expanded social overheads like education, health services, etc.

Even in terms of national averages, the availabilities of certain important articles of consumption do not reveal any significant increases over the years. Thus, the *per capita* annual availability of edible oils and vanaspati has increased from 4 kgs. in 1960-61 to 4.3 kgs. in 1970-71 and that of fabrics—cotton and man-made—from 15 metres to 15.3 metres during the same period. The *per capita* net availability of foodgrains at 456.8 grams in 1970-71, though much higher than that in 1951 (394.9 grams), is lower than the figures achieved in 1961 (467.8 grams) and 1965 (475.9 grams). Since it is admitted on all hands that there is a wide disparity in income and expenditure between the top and bottom of the social pyramid, the national averages have little relevance from the point of view of an estimation of the living standards of the masses. On the basis of data thrown up by the national sample survey (22nd round) it was estimated that in 1967-68 (July-June), the bottom 10 per cent, 20 per cent, and 40 per cent of the population accounted for an aggregate share of 3.19 per cent, 7.82 per cent and 20.45 per cent of the total national consumption, respectively. The top five per cent, 10 per cent and 20 per cent of the population, on the other hand, accounted for 14.17 per cent, 24.91 per cent, and 40.39 per cent, respectively.

In a painstaking study, sponsored by the Ford Foundation, Professor V. M. Dandekar and Dr. Nilkantha Rath of the Indian School of Political Economy, Poona have drawn some startling conclusions from the national sample survey data on the *per capita* consumption expenditure of the rural and urban populations of India. Here are some of their findings :

".....In 1960-61, 6.38 per cent of the rural population had *per capita* consumer expenditure of less than Rs. 8 per month which is 27 paise per day. Another 11.95 per cent had *per capita* consumer expenditure (of) less than Rs. 11 per month which is 37 paise per day. Another 9.88 per cent of the population had *per capita* consumer expenditure (of) less than Rs. 13 per month which is 43 paise per day. Yet another 9.82 per cent of the population had *per capita* consumer expenditure (of) less than Rs. 15 per month which is 50 paise per day. The four classes mentioned above constituted a little under 40 per cent (38.03) of the rural population. In 1960-61, they lived with less than 50 paise per day *per capita*." (*Economic & Political Weekly*, Bombay, 2 January 1971, p. 27)

It may be mentioned here that according to the Planning Commission, the population living on a *per capita* consumer expenditure of less than Rs. 20 a month in 1960-61 prices is to be reckoned as living below the poverty line. (*Government of India, Fourth Five Year Plan, 1969-74*, p. 34)

"The situation in the urban areas", Dandekar and Rath say, "was in fact a little worse. Apparently only 21.69 per cent of the urban population had *per capita* consumer expenditure of less than Rs. 15 per month or 50 paise per day. However.....the cost of urban living at this level is at least 50 per cent more, so that the equivalent consumer expenditure in urban area could be Rs. 22.5 per month or 75 paise per day.....in 1960-61, about 50 per cent of the urban population lived below this level.

"People not familiar with these sections of the population, i.e. the 40 per cent of poorest rural population and the 50 per cent poorest urban population, have wondered how men at all subsist at these levels. Therefore, when somebody occasionally brings these facts to public notice, some of them are shocked and are righteously indignant; others simply do not believe. Nevertheless, such are the facts of poverty in this country." (*Ibid*)

Dandekar and Rath then study the movement of the consumer expenditure of different sections of the population between 1960-61 and 1967-68, on the basis of constant prices. They have worked out the following table basing themselves on the NSS and national income data.

Per Capita Annual Consumer Expenditure

(Rs. at 1960-61 prices)

Per cent. of population from the poorest level	1960-61		1967-68	
	Rural	Urban	Rural	Urban
0 — 5	75.6	96.2	74.8	78.2
5 — 10	100.4	129.7	102.0	112.4
10 — 20	124.2	156.1	126.5	145.7
20 — 30	150.1	191.0	153.4	183.3
30 — 40	174.4	223.8	179.0	220.1
40 — 50	198.0	256.6	205.3	259.5

(*Ibid*, p. 38)

Table above shows that between 1960-61 and 1967-68 the five per cent of the rural population at the bottom and 40 per cent of the urban population lower down the economic ladder have suffered a cut in their *per capita* consumer expenditure, while the 45 per cent of the rural population above the poorest five per cent have secured some marginal rise in their *per capita* consumer expenditure. But 40 per cent of the rural population were still below the poverty line, (i.e. below the *per capita* consumer expenditure of Rs. 20 per month) as defined by the Planning Commission. And, if the relatively higher cost of urban living is taken into consideration, then the proportion of the urban population below the poverty line was 50 per cent.

Dandekar and Rath conclude : "During the past decade, the *per capita* consumer expenditure increased by less than half a per cent per annum. Moreover, the small gains have not been equitably distributed among all sections of the population. The condition of the bottom 20 per cent rural poor has remained more or less stagnant. The condition of the bottom 20 per cent urban poor has definitely deteriorated ; and for another 20 per cent of the urban population, it has remained more or less stagnant. Thus, while the character of rural poverty has remained the same as before, the character of urban poverty has deepened further. This is the consequence of the continuous migration of the rural poor into the urban areas in search of a livelihood, their failure to find adequate means to support themselves there and the resulting growth of road-side and slum life in the cities....." (*Ibid*, p. 40)

Another facet of the mass poverty, indeed one of its major causes, is the rise of unemployment and under-employment, although the number of persons employed has registered a significant rise from 7.05 million in the public sector and 5.04 million in the private sector in 1961 to 10.71 million and 6.74 million in 1971, respectively. At the same time, the number of persons seeking employment through the

employment exchange has nearly doubled from 2.74 million in 1967 to 5.16 million in January 1972. Since employment exchanges register only the urban job-seekers, these figures fail to reveal the full dimensions of the problem on the national scale. A paper by Mr. K. L. Bagal, published in *Economic & Political Weekly*, Bombay, 13 May 1972, gives some of the broad magnitudes of the growth of unemployment since the beginning of planning in India. On the basis of the data provided by the *Reserve Bank of India Bulletin*, July 1971 and the *Report of the Study Group on Employment and Training, National Commission on Labour*, New Delhi, 1969, Mr. Bagal has compiled the following table :

Backlog of Unemployment

(In million)

	First Plan	Second Plan	Third Plan	Annual Plans (1966-69)
1. New entrants to the labour force including backlog	12.3	17.1	24.1	21.6
2. Additional employment likely to have been generated	7.0	10.0	14.5	11.0
3. Backlog of unemployment at the end of each plan (1—2)	5.3	7.1	9.6	10.6

Projecting these figures to the end of the fourth plan, Bagal arrives at the following result :

Unemployment at the end of Fourth Plan

(In million)

1. New entrants to the labour force including backlog	38.2
2. Additional employment likely to be generated	20.9
3. Backlog of unemployment at the end of Fourth Plan (1 — 2)	17.3

Since there is patently the likelihood of a considerable shortfall in planned investment, the backlog of unemployment at the end of the fourth plan may rise even higher to a figure nearing 20 million.

Massive unemployment that obtains in India today is not merely an index of widespread misery, but also a measure of huge social

wastage. For, among the unemployed are hundreds of thousands of qualified, skilled and otherwise educated personnel, whose bringing up has cost the society a good deal of its scarce resources. According to a study made by the Council of Scientific and Industrial Research (CSIR), there were in April 1971, a total of 182,000 unemployed scientific, engineering, technological and medical degree and diploma holders. Arts and Commerce degree holders among the unemployed numbered 385,000. Of these, nearly 40,000 had post-graduate degrees in science or graduate degrees in engineering and medicine.

Faced with these grim realities of abject mass poverty and staggering rise in unemployment, the new national leadership, regrouped around Prime Minister Mrs. Indira Gandhi, has placed the goal of fighting the twin problems of poverty and unemployment at the centre of the task of national reconstruction. This goal is today enshrined in the national slogan of 'garibi hatao'. A number of studies has recently been undertaken at the highest levels and many major postulates of the past are being critically examined with a view to bringing about a new orientation in the national economic policies—an orientation more conducive to a successful tackling of the problems of poverty and unemployment.

At the core of all these problems lies the central fact of a tardy economic growth. But there are other facets of the reality too. Thus, at the instance of the Prime Minister, the Planning Commission has reviewed the working of the past plans and has challenged the governing postulates of the past that 'a fast rate of growth of national income will by itself create more and fuller employment and produce higher living standards for the poor' and that 'for a reduction of disparities in income and wealth the scope of redistributive policies is severely limited'. Hence, the Government of India and all its agencies are presently engaged in working appropriate strategies for combining a quick growth of the national economy with a lowering of income disparities and relatively faster rising employment opportunities. And, this has to be achieved on the basis of increasing self-reliance, that is, with the aid of a falling inflow of net external assistance. Apparently, these four-fold aims, i.e. (i) growth, (ii) lowering of income disparities, (iii) faster rise of employment opportunities, and (iv) emphasis on self-reliance work, at least initially, at cross purposes.

For instance, the spectacular success of the new agricultural strategy which has contributed tremendously towards the achievement of self-sufficiency in food supply and has enabled the country to dispense with the dependence of PL 480 imports has been based on relatively large-scale farming—by large land-owners who are in a position to secure and utilise the costly inputs of fertilisers, better seeds, water

from energised tubewells, if not tractors and other agricultural machinery. If, on the basis of a lower land ceiling, the surplus land is redistributed among the smaller farmers, the ends of social justice will be met and the smaller farmers will receive new incentives for more labour-intensive cultivation which will certainly improve the productivity of the marginal farms. But unless resources are mobilised and distributed through appropriate institutional channels to help the small farmers to advance to the level of the scientific farming methods that today obtain in the larger farms, there will be a fall in productivity and even production, which will adversely react on both national growth and self-reliance.

It has been found that the 'deliberate pursuit of a plan strategy with a bias for heavy industries requiring larger doses of capital investment, raised the proportion of investment needed for employing an additional person' from 1 : 13625 in the first plan to 1 : 21316 in the second to 1 : 27340 in the third. (See, *Economic & Political Weekly*, Bombay, 13 May 1972). It will be difficult, if not impossible, to allocate a significantly higher proportion of the country's extremely limited investible resources to labour-intensive industries without impairing the present strategy of economic independence based on increasing self-reliance in the capital goods sector.

And, finally, as we discussed in the preceding chapter, unless the rates of national saving and investment as a proportion of national income can be significantly stepped up either by new spurts in productivity per unit of capital and labour or by pressing down national consumption to lower levels, any fall in the supplementary volume of foreign aid will exercise an acute depressionary pressure on the growth rate.

These are some of the major economic problems that are challenging the nation and its leadership at the end of the first quarter century of Independence.

How the people of the country will face the challenge and how they will seek to solve these problems will determine the course of the country's development in the coming decades.

If, however, the past response of the Indian people to new challenges and crises is any indication, there should be no cause for despair. The material, technological and human resources for solving the country's problems of growth and poverty are there. If wise leadership and collective popular efforts can be brought into play as a catalytic agent, India can move forward to its tryst with destiny.

PART III

THE SOCIAL AND CULTURAL SCENE

Chapter I

PROGRESS AND PROBLEMS OF EDUCATION

Indian education today presents a scene of ambiguity and confusion. Contradictory trends are discernible. During the last 25 years since Independence, the country's educational system has recorded phenomenal quantitative gains. Universities have increased in number from 19 in 1947 to 79 in 1970. As against 636 colleges in 1947, there are over 3,000 colleges in India today. The enrolment at the collegiate level in 1947 was only a little over 200,000. It increased to over three million by 1970. The enrolment in schools rose from 23.5 million in 1950-51 to 74.34 million in 1968-69. The school-going population increased by 216 per cent as against 45 per cent increase of the population of the country. There was great inadequacy in the fields of scientific and technical education before 1947. In 1947 India had 28 engineering colleges and 41 polytechnics with an intake capacity of 2,520 and 3,150, respectively. In 1968-69 the number of engineering and technological institutions stood at 138 with an intake capacity of 25,000 at the degree level ; and at the diploma level, there were 284 institutions with an intake capacity of 48,600. The number of graduate engineers is estimated to have increased from 58,000 in 1960-61 to 134,000 in 1968-69 and that of diploma holders from 75,000 in 1960-61 to 198,000 in 1968-69. The number of medical colleges has increased from 30 with an intake capacity of about 2,500 in 1950-51 to 93 with an intake capacity of about 11,500 in 1968. By the end of the fourth plan, the number of medical colleges is expected to increase to 103 with an admission capacity of 13,000. The stock of doctors increased from an estimated 57,000 in 1950-51 to 102,000 in 1968-69. The doctor-population ratio in 1968-69 was approximately 1 : 5,200. It is expected that by the end of the fourth plan a doctor-population ration of 1 : 4,300 will be reached.

Notwithstanding these achievements, education in the country faces a critical situation. Mass illiteracy, scarcity of resources, lack of balance in the educational structure, inadequate facilities in terms of needs, considerable mismanagement in the academic sphere, growing student unrest and rising unemployment among the educated are some of the major symptoms of the growing crisis.

The impasse, however, did not come about overnight. It is a sad commentary on the educational system that each commission constituted by the Government of India to review the educational scheme and recommend new measures has lamented that the existing system inherited from the old regime was out of date and unsuitable for the new order. The University Education Commission of 1948, appointed under the Chairmanship of Dr. S. Radhakrishnan, suggested all round changes in the University education, and stressed the need "to broaden and equalise" the opportunity for higher education. The Radhakrishnan Commission further proclaimed, "our educational system must find its guiding principle in the aims of the social order for which it prepares, in the nature of civilization it hopes to build". The Secondary Education Commission (1952) gives a totally new orientation to the aims of education. It pointed out the shortcomings of the existing system which made education wasteful, ineffective and, above all, a burden rather than a joyous experience to the youthful mind. According to the Secondary Education Commission, "This education was too bookish and mechanical, stereotyped and rigidly uniform and did not cater to the different aptitudes of the pupil or to pupils of different aptitudes... . The failure to provide diversified courses of study made it difficult for many students to secure suitable employment at the end of the course." (*Government of India, Report of the Secondary Education Commission*, p. 20)

The latest in the line is the Kothari Commission (1966). Even after 19 years of Independence, the Commission observes, "the present system of education, designed to meet the needs of an imperial administration within the limitations set by a feudal and traditional society, will need radical changes if it is to meet the purposes of a modernising democratic and socialistic society—changes in objectives, in content, in teaching methods, in programmes, in the size and composition of the student body, in the selection and preparation of teachers and in organisation". (*Government of India, Report of the Education Commission*, p. 5). It reaffirmed the role of education "as a powerful instrument of social, economic and political change." (*Ibid*, p. 1)

"The correlation between literacy and national income is astonishingly firm . . . The rise of educational level and increase in the rate of economic growth proceed together." (A. Myrdal, *Education in Economic Plans, Problems in the Third Plan*, Planning Commission, p. 184).

Progress of literacy rate (1951-71)

Census year	Percentage of literacy	Percentage of literate males to total male population	Percentage of literate females to total female population
1	2	3	4
1951*	16.67	24.95	7.93
1961	24.02	34.44	12.95
1971	29.34	39.51	18.44

* Excludes Jammu & Kashmir.
 (Source: Census of India, 1971).

The percentage of literacy went up from 16.67 per cent in 1951 to 24.02 per cent in 1961 and 29.34 per cent in 1971, the percentage of male literacy being 24.95, 34.44 and 39.51 and the percentage of female literacy 7.93, 12.95 and 18.44 in 1951, 1961 and 1971, respectively. Generally speaking, illiteracy is more pronounced among women-folk. The literacy in urban areas stood at 52.48 per cent in 1971, the male literacy being 61.55 per cent and the female literacy 41.91 per cent.

Alleppey in Kerala is the most literate city of India with 70 per cent of its population being literate, the literacy rates of the male population and that of the female population being 75.44 and 64.65, respectively. The next six literate cities of the country in descending order of literacy rates are Nagercoil (69.52 per cent) in Tamil Nadu, Trivandrum (69.38 per cent), Cochin (69.30 per cent) and Quilon (68.48 per cent) in Kerala, Coimbatore (65.42 per cent) and Tiruchirapalli (65.27 per cent) in Tamil Nadu. There seems to be a concentration of the more literate cities in the South. The city with the lowest literacy rate in the country is Rampur (31.26 per cent) in Uttar Pradesh. The literacy in rural areas is 23.60 per cent, the male and female literacy being 33.77 per cent and 12.72 per cent, respectively.

Among the States, Kerala enjoys the highest literacy (60.16 per cent). The next five most literate States of the country in the descending order of literacy rates are Tamil Nadu (39.39 per cent), Maharashtra (39.08 per cent), Gujarat (35.72 per cent), Punjab (33.39 per cent) and West Bengal (33.5 per cent). The rate of literacy in Jammu and Kashmir (18.30 per cent) is the lowest among the States while that of N.E.F.A. (9.34 per cent) is the lowest among the Union Territories. The remaining States with literacy rate lower than the national average are Rajasthan (18.79 per cent), Bihar (19.79 per cent), Uttar Pradesh (21.64 per cent), Madhya Pradesh (22.12 per cent), Andhra Pradesh (24.56 per cent), Assam (28.81 per cent), Haryana (26.69 per cent), Nagaland

(27.33 per cent) and Orissa (26.12 per cent). The growth rate of literacy in Assam (4.88 per cent) between 1961-71 was the poorest among all the States and Union Territories.

"While one may feel happy at the comparatively better picture of literacy spread after Independence, the literacy rates in our country are perhaps some of the lowest among several countries of the world." (Government of India, *Provisional Population Total*, 1971, p. 37)

The rate of growth of literacy rate being 22.10 per cent over 1961 in India, one may be misled to believe that the problem of illiteracy has decreased. But the truth is that illiteracy has grown in size. The decennial growth rate of population (1961-71) being 24.66 per cent, the number of illiterates has gone up from 334 million in 1961 to over 386 million in 1971. The figure stood at 298 million in 1951.

Thus, more than two decades after the attainment of Independence nearly two-thirds of the population are still deprived of literacy. As the rate of literacy is rising at the rate of less than one per cent per annum, a literacy rate of even 70 per cent appears unlikely to be attained within the remaining three decades of this century unless its rate of growth is accelerated.

The Directive Principles of State Policy of the Constitution of India (Article 45) which enjoin on the state to provide for, within a period of ten years from the commencement of the Constitution, free and compulsory education for all children up to the age of fourteen, is yet to be honoured after 21 years of the adoption of the Constitution. By 1968-69, only 62 per cent of the children in the age-group 6-16 were going to school. The percentage of the children in the age-group 6-11 was 77 and that of the 11-14 age-group 32, the corresponding percentages for girls were 59 and 19, respectively. The percentage of children going to school in rural areas is lower than that in the urban areas. Notwithstanding rapid increase in the number of children at school from the scheduled castes, scheduled tribes and other backward classes, the percentage of their enrolment remains much below the national average.

Primary education is free all over the country for all children except for the boys of the urban areas of West Bengal. Middle (for the age-group 11-14 years) and secondary education is also free in most of the States. Education is free for both boys and girls up to class VIII in Haryana, Madhya Pradesh, Rajasthan and Punjab. In Maharashtra and Gujarat there is provision for free education for both boys and girls up to class VII while in Bihar and West Bengal for girls only up to class VIII. Education is free up to the secondary stage for both boys and girls in Andhra Pradesh, Jammu and Kashmir, Kerala, Mysore, Nagaland and

Tamil Nadu and in States such as Madhya Pradesh, Rajasthan and Uttar Pradesh it is free for girls only up to the secondary stage.

Expansion of Elementary Education

(for the age-group 6-14 years)

(Enrolment in million)

Stage/ age- group	1950-51		1960-61		1968-69		1973-74 Target in the 4th Five Year Plan		
	Enrol- ment	P.C. of age- group	Enrol- ment	P.C. of age- group	Enrol- ment	P.C. of age- group	Enrol- ment	P.C. of age- group	
Primary classes	(6-11) I-V	19.2	45.6	34.99	62.4	55.48	77.3	68.58	85.3
Middle classes	(11-14) VI-VIII	3.1	13	6.70	22.5	12.27	32.3	18.10	41.3
Elemen- tary classes	(6-14) I-VIII	22.3	32	41.69	48.7	67.76	61.7	86.68	69.8

Sources : (1) Government of India, *Towards a Self-reliant Economy*.
(2) *Fourth Five Year Plan—Planning Commission, Government of India*.

Over the decade (1951-61) the increase in the number of pupils in the age-group 6-11 years was 79 per cent, and in the age-group 11-14, 102 per cent. The proportion of children in these groups attending school rose, respectively, from 43.6 to 62.4 per cent and 13 to 22.5 per cent. The number of students in these age-groups increased from 22.3 million to 41.69 million. During the period 1960-61 to 1968-69, the enrolment in classes I-V increased from 35 million to 55.5 million ; in classes VI-VII from 6.7 million to 12.27 million and the increase in the number of pupils in the age-group 6-11 years was 52.5 per cent and that in the age-group 11-14, 83 per cent.

The fourth plan envisages that by 1973-74, the enrolment would be 85.3 per cent for the age-group 6-11 and 41.3 per cent for the age-group 11-14. Thus a total enrolment for the age-group 6-14 would be 69.8 per cent. This figure is only in respect of enrolment which is quite different from the expected turn-out of actual literates in 1973-74. Moreover, when considering the enrolment figure it has to be kept in mind that "at the primary stage 60 per cent of the students, who enter class I, do not get even permanent literacy because they drop out before reaching class IV".

Only 20 per cent of them complete the elementary education (up to class VIII).

Expansion of Secondary Education

Year	Enrolment (in million)	Percentage of the age-group (14-17)
1950-51	1.2	5
1960-61	3.03	11.1
1968-69	6.58	19.3
1973-74 (target)	9.69	24.2

Sources : (1) Third Five Year Plan.
(2) Fourth Five Year Plan.

Over the decade 1951-61, the number of pupils in the age-group 14-17 recorded an increase of 152 per cent, the proportion of children in the age-group attending school having risen from five to 11.1 per cent. During the period (1960-61 to 1968-69) the enrolment in classes IX to XI increased from 3.03 million to 6.58 million. The proportion of children of the age-group enrolled in classes IX to XI increased from 11.1 per cent to 19.3 per cent. At the end of the fourth plan, the number is expected to rise to 9.69 million and 24.2 per cent of the children in the age-group 14-17 is estimated to be enrolled in classes IX to XI.

An important objective of educational development following the report of Secondary Education Commission has been to give secondary schooling a vocational and practical bias, through the introduction of training, in science and crafts as key subjects in all higher secondary schools and through workshop practice in the multipurpose schools so that students can take up courses according to their choice and aptitude. But the scheme of reorientation of secondary education has not made much headway. In the course of the second plan, about 2,115 secondary schools were converted into multipurpose schools offering diversified courses. The number of converted schools increased by 271 only during the third plan period. The number of high and higher secondary schools was 25,090 at the end of the third plan. A probe into the malaise of the secondary education by the Kothari Commission has led it to conclude that many of these conversions are purely notional in the sense that the necessary facilities in terms of improved libraries, laboratories, teaching aids and qualified teachers have not been provided. It is hardly surprising, therefore, that the expectations of improvement as a result of reorganisation have not been generally realised. There is also considerable wastage and misdirection as may be seen from the fact that 50 per cent or more of the students who sit for the school-leaving examinations fail to qualify. The 'unilinear' character of secondary education

which, the Secondary Education Commission has pointed out, has contributed to a great extent to increase of unemployment among the products of secondary education and to the over-crowding of the arts colleges, has undergone no radical change. Dr. K. N. Raj aptly remarks, "Proceeding to higher education is for them both a way of not remaining idle and of improving their prospects of employment". (Government of India, Dr. K. N. Raj : *Crises of Higher Education in India*, p. 5). The available data bear out that the incidence of unemployment and its duration are lower among graduates than among matriculates.

One of the most distinctive characteristics of life in modern India is the phenomenal development in the education of women since Independence. Girl students as a percentage of their population in the relevant age-group increased from 25 in 1950 to 57 in 1968-69 in classes I-V, five to 19 in classes VI-VIII and two to 10 in classes IX-XI. The rate of expansion of education of girls being faster than that of boys, the gap between them is gradually and steadily narrowing. At the lower primary stage, the number of girls enrolled per 100 boys has increased from 39 in 1950 to 55 in 1965. At the secondary stage, the corresponding figures were 15 in 1950 and 26 in 1965. In higher education, their enrolment has increased from 40,000 in 1950 to 240,000 in 1965. The number of girls enrolled for every 100 boys at the under-graduate stage increased from 13 in 1950-51 to 24 in 1965-66 while it rose in the post-graduate courses from 13 for 100 boys in 1950-51 to 25 in 1965-66.

Expansion of Girls' Education

(Enrolment in million)

Year	I—V		VI—VIII		IX—XI	
	Enrolment of girls	P.C. of total enrolment	Enrolment of girls	P.C. of total enrolment	Enrolment of girls	P.C. of total enrolment
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1950-51	5.38	28.1	0.53	17.0	0.17	13.5
1960-61	11.40	32.6	1.63	24.3	0.56	18.5
1968-69	20.56	37.1	3.51	28.6	1.63	24.5
1973-74	27.33	37.9	5.71	32.7	2.69	27.8
(target)						

(Source : Fourth Five Year Plan).

In spite of the sustained growth of education among girls, the gap between the enrolment of boys and girls is still considerable. In 1968-69, the number of girls enrolled at the lower primary stage constituted only 37.1 per cent of the total enrolment. The corresponding figures for the middle and secondary stages were, respectively, only 28.6 per cent and

24.8 per cent. At the lower primary stage, the enrolment of the boys having already reached 95 per cent of the population in the corresponding age-group in 1968-69, the problem of fulfilling the Constitutional Directive is essentially the problem of educating girls. At the higher primary stage, the gap between the education of boys and that of girls is wider still—although both have still a long way to go.

Expansion of Higher Education

(Enrolment in million)

Sl. No.	Stage (age-group)	1950-51	1960-61	1968-69	1973-74 (target)
(0)	(1)	(2)	(3)	(4)	(5)
University/College (age-group 17-23)					
1. Total enrolment		0.36	0.74	1.69	2.66
2. Percentage of the age-group		0.8	1.5	2.9	3.8
3. Enrolment in science courses as percentage of total enrolment		30.0	25.7	40.2	44.7

Sources : (1) Third Five Year Plan.
(2) Fourth Five Year Plan.

The enrolment in arts, science, commerce and law courses in universities and colleges increased by 0.2 million during each of the first and second plans and by about a million during the period 1960-61 to 1968-69. The additional enrolment in the fourth plan is estimated to be about one million. Enrolment in science subjects was 30 per cent of the total enrolment at the university stage (including pre-university classes) in 1950-51. This proportion decreased to about 26 per cent in 1960-61 and again rose to 40 per cent in 1968-69. It is expected to rise further to about 45 per cent at the end of the fourth plan.

From a little over a quarter million in the early fifties the total enrolment for degree courses alone rose to over two million in the academic year 1970-71. It appears therefore that the rate of growth of the enrolments for higher education has been rising gradually. Between 1950-51 and 1964-65 the average rate of increase was about ten per cent per year. Since then it has gone up to nearly thirteen per cent per year. The total enrolment in higher education appropriate to the requirements of the country was estimated at 2.2 million in 1975-76 by the Kothari Commission. The level of enrolment which would be appropriate to the national requirements in 1975-76 as estimated by the Commission had been nearly reached in 1970-71.

The rapid expansion in arts and commerce courses has been dictated not so much by the enrolment capacity of the institutions concerned or the employment opportunities available, but by the increasing pressures of public demand which has been generated by several factors. The traditional status value attached to a university degree, the growing hunger for education among the urban middle classes and the awakening among the rising agriculturists who are seeking social advancement through education, the absence of employment opportunities forcing young people having nothing else to do or intending to improve prospects for job, to go in for higher education and the rapid multiplication of educational institutions easily accessible to young persons even in out-of-the-way places are among these factors. As overall resources were limited and were absorbed in programmes of expansion of general education, there grew up an imbalance between the development of general and that of vocational education. The effect of this expansion on standards has been even more adverse.

In 1970, the number of universities stood at 79 and that of the institutions 'deemed to be universities' nine. The student enrolments in the universities are very uneven. While over 30 of them have student enrolments of more than 20,000 each and about half of these universities have more than 40,000 students each, the growth in the size of particular universities has been tremendous. For instance, there were only eleven colleges affiliated to the Delhi University in 1947. At present there are 47 colleges and recognised institutions affiliated to this University. The enrolment in the Delhi University, which was originally designed to have no more than about 10,000 students stands well over 75,000 at present as against 3,362 in 1947. Universities can hardly serve the purposes for which they are set up if considerations of aims related to functions are ignored. The problem is far more acute in the case of the Calcutta University with a mammoth student population of about 200,000 in the 207 colleges, affiliated to it. Seven big colleges of Calcutta in which even a modicum of essential facilities such as adequate teaching staff, accommodation, libraries, laboratories, etc., are absent, account for about 50,000 under-graduate students.

The big colleges are aptly called 'degree factories'. The teaching load and student-teacher ratio make effective teaching difficult if not impossible. The cumulative effect of all this is a large percentage of wastage and a very high rate of failure in examinations in many of the big colleges. With the enormous increase in enrolment, the Calcutta University authorities are finding it difficult even to cope with the demands that examination work makes upon them, resulting in considerable time lag between the conduct of examination and publication of results.

Another satisfactory aspect of the present situation is that there is a very large number of colleges with a very small enrolment along with the existence of big 'degree factories' in the major cities. A probe conducted by the Kothari Commission shows that enrolment in about 15.6 per cent of the colleges is less than 100 and that in about 60 per cent of the colleges below 500, regarded as the very minimum below which a college may tend to be uneconomic and inefficient.

The continued growth of arts colleges and even the subjects for which provision is made for teaching are determined largely by financial considerations. Those subjects in which a lower ratio of teachers to students can be maintained and other facilities to be provided can be kept at a minimum level are preferred.

The rapid expansion of professional education in engineering, medicine and agriculture and of science courses is one of the striking features of educational development during the post-independence period. This was necessitated by the programme of economic development undertaken in the first three plans. The total enrolments in professional courses stood at 72,000 or 27.4 per cent of the total enrolment of higher education in 1950-51. In 1965-66, they increased to 335,000 or 30.6 per cent of the total. By 1985, they are expected to increase by 831,000 although average annual rate of growth would be reduced from 10.6 per cent to 7.9 per cent.

Expansion of Engineering Education

Year	Degree level			Diploma level		
	Admission capacity	Actual intake	Out-turn	Admission capacity	Actual intake	Out-turn
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1950-51	4,120	4,120	2,200	5,900	5,900	2,480
1960-61	13,824	13,692	5,703	25,801	23,736	7,969
1966-67	25,000	24,934	13,051	48,579	46,461	22,260
1967-68	25,000	24,237	13,873	48,580	42,935	22,476
1968-69	25,000	17,890	14,593	48,600	27,255	23,224

Sources : (1) Third Five Year Plan.
(2) Fourth Five Year Plan.

During the decade between 1950-51 to 1960-61, admission to engineering institutions and the out-turn of graduates and diploma holders show about three-fold and four-fold increases, respectively. Between 1960-61 and 1967-68, this growth was more spectacular—intake nearly doubled and out-turn more than doubled. After 1965, no increase in sanctioned intake strength has been effected. On the other hand,

admissions dropped in 1967-68 and much more steeply in 1968-69. There was an overall reduction of 33 per cent following a decline and later a stagnation in the tempo of industrial development. The yearly outturn, however, continued on the basis of admissions made three to five years earlier.

In a written reply in the Lok Sabha on 15 March 1972, the information was furnished that at the end of 1971, about 74,057 engineers had been registered as jobless and the Rajya Sabha was told that nearly 20,000 Indian engineers or 17 per cent of the country's total in 1967 had gone abroad, either to work or to study in the six preceding years.

The problem of education cannot be considered in isolation or in a vacuum. If education is to be an instrument of social, economic and political change, it is to be related to programmes of national development. The Kothari Commission has pointed out, "The direct link between education, national development and prosperity.....exists only when the national system of education is properly organised, both from qualitative and quantitative points of view. The naive belief that all education is necessarily good both for the individual and for the society can be as harmful as it is misplaced." (*op. cit.*, p. 4-5)

In India the expansion of education is taking place under the stress of circumstances and social aspirations, rather than according to a carefully defined programme. The recommendations of the Education Commissions being mainly ignored, the present system of education remains as maladjusted to the social and economic needs as before.

The realisation of the unfulfilled Constitutional Directive for the provision of free and compulsory elementary education demands priority to primary education. After 25 years of the attainment of Independence, only one-third of the population are literate and only about 45 per cent of the children in the age-group 6-14 are going to school, in a country in which agriculture accounts for more than one-half of national income and where more than three-fourths of the labour force are engaged in agriculture and small scale industry, any economic advance based on technological changes is unlikely to be achieved unless the population enjoys the minimum advantages of literacy. Viewed against this background, it appears incongruous that expenditure on education representing about three per cent of the national income is roughly equally divided among primary, secondary and higher education.

One of the factors inhibiting the growth of enrolment at the primary stage is the high rate of dropouts. Expansion of primary education cannot be accelerated unless provisions are made for mid-day meals, free

supply of uniforms, books, slates, etc. All this requires a larger share of the available resources to be set apart for primary education.

Lack of educational planning has contributed to a drift in the education system. While the enrolment in elementary education is not coming up to expectation, secondary and higher education, unrelated to any clear social and economic purposes are expanding in spite of acute unemployment among the products of secondary and collegiate education.

More than 60 per cent of the expenditure on higher education is met out of Government funds. In the States such as Kerala, Gujarat and Maharashtra, having higher enrolment in elementary education, the rate of subsidization of higher education is comparatively low. In these States, elementary and secondary education absorbs most of the budget provision on education. On the other hand, in States such as Jammu and Kashmir, Rajasthan, Madhya Pradesh, etc., having poorer enrolment at the elementary stage, higher education being heavily subsidized, the expansion of elementary education suffers from paucity of funds.

The huge number of unemployed among the products of secondary education is a glaring reflection on the kind and the quality of the secondary education provided. The expansion of education at the base demands planned and large scale diversion at the end of elementary and secondary stages. The pressure on higher education can hardly be reduced to any appreciable extent if adequate provision for vocational education is not made. Only one out of eight students enrolled at the secondary stage goes in for vocational education in India, compared to two out of every three students in Japan and Germany.

As overall resources are limited and get absorbed in programmes of expansion of general education, an imbalance between the development of general and vocational education has grown. The products of secondary education and the graduates in arts and commerce are outstripping their demand and causing problems of educated unemployment, while trained personnel for the development of agriculture, industry, or research remain in short supply. Due to the lack of provision for industrial training in plants on an adequate scale and shrinking opportunities for employment, the usefulness and effectiveness of vocational education has been reduced considerably.

The problem of the educated unemployed is a problem of the wider Indian social evolution as well as of the educational system itself. Unemployment among the educated is not uniform. It is the highest among the matriculates and the arts graduates. With the increase of graduate unemployment, the usefulness of a university degree has

diminished. But the craze for degrees is increasing as it is believed to give a competitive edge to those who possess them.

The number of graduates registered with the Employment Exchanges has increased by nearly two-and-a-half times over the three years between 1966 and 1969. Together with post-graduates they totalled to about a quarter million at the beginning of 1970.

The programme for expansion of education must be related to the programme of national development. Man-power oriented economic planning is of crucial importance. The Education Commission assumed that the national income of the country would grow at the rate of 6.5 per cent per annum. It was on this assumption that the total enrolment in higher education appropriate to the requirements of the country was estimated. Since 1965 the rate of growth of the Indian economy has been about four per cent while the rate of expansion of higher education has gone up. The level of enrolment which the Education Commission thought would be appropriate to the national requirements in 1975-76 has already been reached by 1970-71. Hence the increase of unemployment among graduates, including engineers, is accountable to the sluggish growth of the economy and the relatively faster out-turn of the educational institutions.

In the absence of effective educational planning, the expansion of education may create a social problem of great dimension and lead to economic dislocation, instead of economic development.

Joseph Lelyved in his article "India's Students Demand—A Safe Job in the Establishment" published in the *New York Times* (12 May 1968) depicts the Indian student as job hunter. "Since jobs are all that matter, the content of courses is of diminishing concern to members of the faculty and of no concern whatsoever to the vast majority of the students."

Job, being the main concern of students in the wake of shrinking employment opportunities and the University degrees treated as it were as a passport to employment, examination is no longer deemed a test for what a student has learned. It, on the contrary, appears to him as a hurdle and the result is that every short-cut is invented in the form of cheap bazaar note books, the so-called coaching classes, mass copying, etc., to get over it.

When they walk out of the examination halls complaining that the questions are stiff or beat up the invigilators if the latter do not allow them to copy in the examination halls or gherao the university authority for 'grace marks', the students are only going through the reflexes of a degree-oriented and examination-centred education.

There is widespread discontent and instability among students. The college and university campuses are seething. Often it is a demand for special privileges by students or a projection of the political conflicts of the society into the university campus. It is a part of the global phenomenon of student unrest but with distinctive features of its own. The problem has its root in the conflict of generations. There is lack of communication and mutual appreciation between the younger and older generation to the extent that a feeling of antagonism has emerged.

Following the students-Vice-Chancellor confrontation on the Jodhpur University campus, in which about one hundred students forced their entry into Prof. V. V. John's room and hit him on the forehead with a paper weight forcing him to sign a letter of resignation, a high level committee was set up by the University Grants Commission and the Education Ministry, for a deeper probe into the incident. The following are some of the factors that had caused the campus unrest and violence according to the Committee : (i) Lack of proper academic atmosphere, (ii) Lack of respect for authority, parental, educational and governmental, (iii) Ideological frustration and political interference, (iv) Moral degeneration of the youth, (v) Failure of the older generation to set an example of good behaviour and dedication to duty, (vi) Loss of belongingness, (vii) Corruption at the highest echelons of administration, (viii) Non-involvement of students in campus affairs.

The analysis suggested the participation of the students in University affairs. Despite these efforts, peace in the campus has remained an elusive dream. The authorities who first threaten students and then yield, have become fearful, ambivalent and have lost their self-confidence.

The prevailing perfunctory system of education has at least partly contributed to the emergence of student unrest. Indian education has failed to relate itself to the life, needs and aspirations of the nation during the post-independence period. A mushroom growth of colleges, set up without adequate staff, buildings or equipment and indiscriminate admission, and perfunctory examination and teaching methods have led to steady deterioration of the standard of education.

Another feature of no less significance is that the teaching community have forfeited the respect of the taught. An overwhelming number of teachers have no commitment to knowledge on its expansion.

The present student unrest and activism is not merely a product of tensions in academic spheres or discontent with education. Its source may be traced to the major developments in socio-economic and political spheres.

One of the main causes of student unrest is frustration, generated by socio-economic factors. Middle class families from which comes a

sizable number of students are subject to severe economic strains. Students who have high expectations soon get disillusioned as the relentless pressures of economic forces thwart the realisation of their aims in life. Social inequalities and inequities aggravate their indignation. They are haunted by the fear that after the completion of study, they may not find even a suitable job.

It is hardly surprising that all this has led to an explosive climate in which growing frustration, anger with governmental and educational authorities, indifference to and hatred for the society and elders and a general spirit of defiance have gripped the youths.

The boys and girls in the educational institutions are an assorted group broadly representing different segments of the society. A vast change has taken place in the social composition of the students. Many of them are of a new type. Some are first generation students, whose parents and forefathers have not had the privilege of education before. Students in India are in ferment as their counterparts in many other countries. But unrest among the students is not a cause but the symptom of a deeper malady in the society and particularly reflects the acute nature of the crisis in our anachronistic education system.

One of the most common criticisms about the development of education in the post-Independence period is that standards have been falling and rapid expansion has resulted in a lowering of quality. There is a general feeling that the situation in higher education is particularly unsatisfactory and even alarming in some ways.

In view of the difficulties inherent in an objective measurement of standards over a given period, it is difficult to say definitely to what extent and in what respects, they have been falling. But the examination results in different stages, the reports of the Public Service Commissions, the views expressed by the employers, the assessment of the teachers themselves,—all seem to support that with the quantitative increase, the quality of the average students passed out of the schools and colleges has suffered. The Kothari Commission observed : "What is apparent and really matters is that over a large area of education, the content and quality are inadequate for our present needs and future requirements and compare unfavourably with the average standards in other educationally advanced countries. What is worse, the large gap between the standards in our country ad those in the advanced countries is widening rapidly." (*op. cit.*, p. 278).

The Education Commission has pointed out that the universities of India do a good deal of work which really belong to the secondary school and the latter in turn does a good deal of work of the primary

school. The main purpose of the first degree is to bring students to the frontier of knowledge and to the threshold of the world of research and of the second degree to provide a high level of specialization or to initiate the students to research.

The Commission holds that the first and second degrees of the Indian universities in arts, commerce and science do not generally come up to these standards. By and large it is the second degree in arts, commerce and science that introduce the student to the world of research and is comparable to the first degree of the educationally advanced countries.

Dr. K. N. Raj, former Vice-Chancellor of the Delhi University held the view : "What is overall wrong with higher education in India now that a very large segment of it has ceased to be higher education in any meaningful sense of the term. Indeed the purpose it serves can, to a large extent, be met equally well by proper school education." (D. K. N. Raj, *op. cit.*, p. 1).

Two main illustrations are put forward to support it : the increase in the number of sub-standard institutions of general education and the increase in the number of students with sub-standard attainments. A part of the increase in the number of students with sub-standard attainments is due to the first generation learners, many of whom come of comparatively or entirely uneducated homes and are ill-prepared at the secondary level to undertake genuine university work. It is a fact that the students of this category depress the standard, to some extent, but there is little room for doubt that their entry into secondary schools and colleges in large numbers, specially in rural areas, is also a sign of an overall social progress.

The existing situation in higher education during the academic year alternates between 'slackness and strain'—slackness during the session and strain at the time of examination. On the one hand, there are over-crowded institutions in which the number of enrolments has outstripped available facilities and on the other hand, a good number of them particularly in the small towns and in the rural areas with small enrolments are uneconomic and they offer meagre or little academic facilities. The poor service condition of the teachers also tells upon the quality of the instruction they impart.

As the medium of instruction is the regional language in most of the institutions, there is a dearth of suitable text books. A large majority of the students are not expected to study text books in English, because it has not become for them 'the language of the library'. A good number of them are beset with financial worries which make concentration on academic work difficult.

There are bright exceptions to this bleak picture which one must acknowledge. But on the whole, the ideal of academic excellence confined to a minority of teachers and students who have to keep it alive against the downward pressure of discouraging circumstances.

One should also note that considerable improvements have been made in the teaching of several subjects and the number and percentage of students in science and professional courses have increased. Good institutions and first rate students are now more numerous and qualitatively as good as ever, if not better. In absolute measures, education in the society is substantially higher today than at any time in the past.

One may, therefore, conclude that the situation on the educational front today is a mixed picture of light and shade, of improvement as well as deterioration, a rise in standard in some areas accompanied by a comparative fall in others.

The crisis in education has been brewing for a long time. What is new is the magnitude of the problems and their accentuation as a result of the extraordinarily rapid expansion of secondary and higher education and the emergence of new expectations in the post-Independence period. The quality of education is of crucial importance. It is obvious that if education is not radically improved both quantitatively, particularly at the elementary stage, and qualitatively, particularly at the higher stage, economic growth, technical progress, administrative efficiency, intellectual standards and social advance generally will be most seriously hampered.

Chapter II

INDIAN LABOUR SINCE INDEPENDENCE

As in every other sphere of Indian social life, Indian labour has also passed through a process of deep-going change and development, which has altered some of its old physiognomy in the period since the transfer of power. Before the impact of the changing social milieu on industrial labour is discussed in some details, it will be helpful to begin with a synoptic statistical picture.

The first thing to note is the significant numerical growth of industrial labour since Independence.

Industrial Employment in India

	1948	1969
Factories	2,889,807	4,771,000
Mines	395,865	639,000
Railways	1,046,855	1,359,000
Plantations	1,144,366	1,136,000
Post and Telegraphs	167,701	534,000
<i>Total</i>	<i>5,644,594</i>	<i>8,439,000</i>

It will be seen from Table above that the total number of workers in factories, mines, plantations, railways and communications increased by 48 per cent from about 5.70 million in 1948 to about 8.44 million in 1969. Growth in the factory and mine sectors was relatively more impressive at 65 per cent and 61 per cent, respectively.

It will be further seen from Table below that money earnings of industrial labour increased considerably between 1948 and 1969.

*Average Annual Money Earnings of Factory Labour
(In Rs.)*

	1948	1969	1969 as P.C. of 1948
Cotton mills	1,094	2,694	246
Jute mills	638	2,251	354
<i>All Industries</i>	<i>889.7</i>	<i>2,546</i>	<i>288</i>
Index numbers of working class consumer prices (Base : 1949 = 100)	98	213	217

Even allowing for the sharp rise in the index numbers of the working class consumer price (base: 1949 = 100), the figures show a sizable rise in the level of real wages. The improvement is somewhat lower than the average in the case of cotton mill workers who were relatively better paid in the earlier period, but more impressive in the case of jute mill workers whose level of wages was rather low in 1949.

In recent years, however, the official index numbers of real earnings have been showing a declining trend and have been below the level attained in 1961, as may be seen from Table below :

Index Numbers of Real Earnings

1961	...	100.0
1966	...	95.0
1967	...	91.0
1968	...	94.0
1969	...	98.2

Since Independence, not only has the working class grown in size, but also their organisation has expanded and their outlook has undergone radical changes.

The social composition and psychological make-up of the Indian working class have undergone major transformations in the quarter century since Independence.

The Whitley Commission had observed in 1928 that "most industrial areas had grown into microlingual microsoms, diverse in the structure of their preparation. They were recruited from different parts of the country. They had strong ties with villages where they were born and brought up. But they were not agricultural workers serving temporarily in the cities and towns. The artisan group of the villages sought employment in textiles, railway workshops, and tanneries. They had village traditions and hoped to return to villages".

The situation had undergone a change even before the transfer of power. The Rege Committee had noted in 1946 that the working class had taken root in the towns. Its ties with the villages had loosened and the workers were more inclined to stick to the towns.

During the last twenty-five years, the stabilisation of industrial labour in urban areas has been further strengthened. The workers have become more urban in taste and outlook. Even in plantations, stabilised labour is more in evidence now-a-days. Studies on industrial workers in cities like Bombay, Poona, Delhi and Jamshedpur have revealed that in contrast to the earlier migrants who had a tendency to go back

to the villages, the younger workers are more attracted to urban life. More recently, the National Commission on Labour has observed that "a self-generating working class with its root in the industrial environment in which a worker is born and bred is growing in strength".

The modern industrial worker, has acquired a new dignity. Formerly, the workers were looked down upon; they were regarded as "coolies". But now they have a personality of their own. Their money earnings have increased. They now enjoy a degree of social security. The increase in money earnings has been obtained mainly through a strengthening of the trade union movement, aided by the welfare function of the state in the post-Independence period. Even though the increase in money earnings has not led to a substantial rise in the standard of living nor have the welfare measures so far adopted been sufficient to secure the workers freedom from anxiety and worry, the changed industrial milieu has led to important changes in the tastes, outlooks and habits of the workers.

The first thing to be noted is the change in their consumption pattern. Processed food has become more common. Food habits have been influenced greatly by the availability of commodities and their prices. The consumption of certain articles has gone down while that of others has increased. The existence of subsidised canteens in many work places has contributed to this transformation. Even the cooking media and use of fuel's have changed. In matters of clothing, the change is particularly noticeable. Garments made of rough cloth were the general pattern in pre-Independence days; but the workers today don a much better dress, made of finer fibres. Ready-to-wear garments are more common. Pyjamas and trousers, shorts and half-sleeved shirts are the common apparel of the young workers today. Housing conditions have also improved especially in newly developed industrial centres. Though many workers have not yet been provided with quarters and though large numbers of workers continue to live in slums modern tenements built for the workers are more hygienic and better constructed. The utensils and the furniture used in the house have also changed. Radios and watches are possessed by a considerable section of workers. Entertainment has also assumed a different form. Cultural tastes have changed. Dramas have come to occupy the place of bhajans of old days. Indoor and outdoor games have become more common among industrial workers.

All this should not, however, lead to the conclusion that the changes have become pervasive. The point to note is that there have been changes in many aspects of the life of a worker, particularly in newly developed industries and amongst new generations of workers belonging to skilled categories. Traditional features of working class life still

persist in mines and plantations. But, from an overall point of view, a new worker has been born.

The social composition of workers also has undergone and is undergoing changes. The working force is no more restricted to particular castes, communities or strata. A mixed industrial work force has emerged. Though it is less noticeable in traditional industries, the change is well pronounced in sophisticated industries like engineering, metal, oil, petro-chemicals and machine tools. The middle class families who looked down upon the workers in pre-Independence days and were content to be recruited for white collar jobs have now started sending their sons to work in factories. The old social barriers are breaking down. At the other end, a section of the workers is imbued with new hopes and aspirations. It wants to give its children higher education. It refuses to live in the traditional way. The Indian worker today is in general keen in improving his lot. Workers are now politically more conscious—more critical about the existing social order. They are more union-minded. They turn to unions for fulfilment of their hopes and aspirations. Their attitude towards employers has also changed. The employers often complain that workers today demonstrate a greater measure of defiance. This allegation may or may not be true; but the point to realise is that the workers have shed their old docility.

The framework of labour policy in the successive five year plans may be summed up as follows :—

- (1) The character of the state has been declared to be a "Welfare State".
- (2) Collective bargaining and voluntary arbitration for the settlement of industrial disputes are encouraged.
- (3) Right to peaceful strike by the workers has been recognised.
- (4) Maintenance of industrial peace has been accorded a priority.
- (5) Provision of fair wages and social security have been accepted as the major objectives of labour policy.
- (6) Partnership between employees and employers to promote economic activities of the country and for increasing productivity of labour and capital has been accepted in principle.
- (7) Tripartite consultation has been adopted as the principal means for securing the objective of better industrial relations.

State intervention in the settlement of industrial disputes had started with the Trade Disputes Act, 1929 during the British regime.

The Act provided for *ad-hoc* conciliation boards or courts, to enable the Government to intervene in industrial disputes whenever it considered it fit to intervene. Following the Whitley Commission's recommendations, the amending Act of 1938 authorised Central and Provincial Governments to appoint conciliation officers for promoting the settlement of industrial disputes. But this was not in fact extensively used.

A more purposeful intervention was attempted through Bombay Trades Disputes Act 1934. For the first time in India, a permanent machinery was created for promoting industrial peace ; but the Act was limited to certain industries. The experience of the working of the Act led to the enactment of the Bombay Industrial Disputes Act (BID), 1938. Among others, its important features were : (a) compulsory recognition of unions, (b) giving right to the workers to represent their case through representation, (c) prohibition of strikes and lock-outs.

The BID Act was later replaced by a more comprehensive legislation, viz., the Bombay Industrial Relations Act (BIRA), 1946, which provided for the framing and certification of standing orders concerning various aspects of service conditions, including the classification of employees, procedures for disciplinary action and the like. The BIR Act was, however, opposed by central trade unions other than INTUC. During World War II the Government of India promulgated the Defence of India Rules, section 81A of which gave powers to appropriate Government to intervene in industrial disputes, appoint Industrial Tribunals and enforce the awards.

On the eve of the transfer of power, the then Interim Government put on the Statute Book the Industrial Disputes Act 1947 which came into force on 1 April 1947, replacing the Trades Disputes Act of 1929. Since Independence, this Act has been the main instrument governing industrial relations. There have been many subsequent amendments. The Act provides for the settlement of industrial disputes through conciliation and adjudication. It empowers the appropriate Government to appoint conciliation officers to promote settlement of industrial disputes. It also empowers it to refer the disputes for adjudication by an Industrial Tribunal. Restrictions are imposed on strikes and lock-outs in public utility services and during the pendency of conciliation and adjudication proceedings.

The Industrial Disputes Act was amended in 1953 to provide for compensation in case of lay-off and retrenchment.

The first plan stressed the need for industrial peace. The second plan envisaged a marked shift in industrial relations policy consequent upon the acceptance of the "socialistic pattern of society". It laid stress on mutual negotiations. The recommendations of the second plan

included a demarcation of the function of the Trade Union and the Works Committee and the increased association of Labour with Management. The third plan did not suggest any major change in the framework of industrial relations.

The 15th Session of Indian Labour Conference (a tripartite session of the representatives of the governments, employees and employers) met in 1957 and tried to evolve steps for implementing the recommendations of the second plan. Besides fixing norms for needbased minimum wages, the Conference recommended steps in the field of industrial relations. The Conference also unanimously adopted a code of discipline.

The Code laid down, among others, the following :

- (i) There should be no strike or lock-out without notice ;
- (ii) No unilateral action should be taken in connection with any industrial matter ;
- (iii) There should be no recourse to "go-slow" tactics ;
- (iv) Awards and agreements should be speedily implemented.

The conference adopted some criteria for the recognition of trade unions which formed an appendix to the code of discipline. An elaborate procedure for verification of membership for the purpose of according recognition to the most representative union was also agreed to by the conference. Though the code of discipline was unanimously adopted, no progress was really made in its implementation. In fact both employers and employees accused each other of violating the letter and spirit of the code.

Indeed the achievement of the code has been extremely limited. Further, there have been complaints of non-implementation of awards, settlements and agreements, which led to the disturbance of industrial peace. Tripartite Committees, named Evaluation and Implementation Committees, were set up at Central and State levels as permanent bodies. The 15th Labour Conference also decided upon the setting up of Joint Management Councils and laid down grievance procedures for improvement of industrial relations. Later on, in the 20th Conference of the I.L.C. in 1962 the rights of the recognised unions were recommended. But all this did not improve the climate of industrial relations.

The whole issue of industrial relations was recently discussed in detail by the National Commission of Labour (NLC).

Earlier, one section of opinion advocated the implementation of the principle of collective bargaining in all its aspects and another section favoured continuing adjudication. The N.L.C. emphasised that "real

industrial harmony is possible only when conditions are created for avoidance and prevention of disputes." The N.L.C. pointed out certain weaknesses in the working of the existing industrial relations machinery, viz., "the delay involved, the expenditure, the largely *ad hoc* nature of the machinery and the discretion vested in the Government in the matter of reference of disputes". The main recommendation of the NLC was the setting up of an Industrial Relations Commission (IRC) at National and State levels for settling industrial disputes. This is to be a permanent machinery with a President, not below the rank of a High Court Judge and with not more than seven members. The I.R.C. is to combine in itself the functions of both adjudication and conciliation.

The N.L.C. attached considerable importance to the question of the recognition of the trade union. Serious differences exist about the manner in which the strength of a union is to be determined—(i) whether it should be determined by a verification of the fee-paying membership, or (ii) whether it should be determined by secret ballot. The N.L.C. entrusted the I.R.C. with the task of deciding whether recognition should be given on the basis of verification or secret ballot. The N.L.C. also made recommendations about the rights of recognised unions and about what should constitute unfair labour practice.

The recommendations of the N.L.C. on the recognition of trade unions were opposed by all the central trade unions, barring INTUC. These suggestions have not been implemented by the Government. The industrial relations machinery, therefore, exists as it existed prior to the setting up of the N.L.C.

However, the question of the recognition of unions has assumed great importance in the sphere of industrial relations. Recently, INTUC, AITUC and HMS have agreed to certain procedures in this respect. CITU has, however, declared itself to be in disagreement with them. The recommendations of the three Central Trade Unions are now being considered by the Union Government with a view to drawing up suitable legislation.

Recently, particularly in the altered situation following the last war with Pakistan, the Union Government has been striving hard to bring about a radical change in the framework of industrial relations. Both the President and the Prime Minister have categorically indicated that they would welcome a temporary moratorium on strikes and lock-outs. While the Union Labour Minister has denied any intention of imposing a statutory ban on strikes or lockouts, he also has unambiguously stressed the need for a more cooperative industrial climate based on a closer association of the employees with the management and improved social security on the one hand and a movement for increased production and labour productivity on the other. Important statutory and

administrative measures in these directions are presently in the process of evolution.

Since Independence, India has made creditable progress in the sphere of social security for industrial workers and employees. Prior to the transfer of power, there were only two security measures in operation in India : the Workmen's Compensation Act 1923 providing certain benefits to workers as a consequence of employment injury and the Maternity Benefit Acts in some of the provinces of British India to provide for grant of leave and cash benefits for certain specified periods before and after confinement of women workers in factories.

The five year programme for labour (1946), drawn up by the Post-War Reconstruction Committee, included proposals for:

- (i) Organisation of a Health Insurance Scheme applicable to factory workers ;
- (ii) Revision of the Workmen's Compensation Act ;
- (iii) An All-India Act for maternity benefits ;
- (iv) Extension of the benefit of leave with pay during period of sickness.

The Employees' State Insurance Act was passed in 1948. The Act provides for cash benefits in the case of sickness, maternity and employment injury and medical benefits to workers. The Act applies to all non-seasonal factories employing 20 or more persons excluding mines and railway running sheds.

The Employees' State Insurance (E.S.I.) Scheme came into operation on 24 February 1952 in Kanpur and Delhi. Later, it was gradually extended to the whole of India. The scheme is contributory—the contribution being made by both employers and employees. The Act has been subsequently amended so as to cover medical treatment to the family of a worker. The definition of "employee" was also enlarged by amendment of the Act, in 1966.

The scheme which started with the coverage of 120,000 workers in 1952 embraced over 3.7 million insured persons at the end of March 1968. The scheme was formally supported by Trade Unions, though later some of these have levelled criticism regarding alleged maladministration. Demands have also been made for increase of employers' contribution and a corresponding reduction in workers' contribution. The Government of India appointed a Review Committee in 1963. The Committee published its recommendations in February 1966. Some of the recommendations have been accepted by the ESI Corporation.

The National Commission of Labour (NLC) has also advised that the Review Committee's recommendations should be implemented expeditiously. The N.L.C. recommended that the wage limit for exemption from payment of employees' contribution should be raised to Rs. 4.00 per day.

Another important social security measure in operation relates to Provident Fund schemes. The first Act in this field was the Coal Mines Provident Fund and Bonus Scheme Act, 1948, which guaranteed some provisions for the future of workers in the coal mines. Later, the Employees' Provident Fund Act was passed in 1952. It came into operation on 1 December 1952. There have been several amendments by which its coverage and scope have been extended. It now applies to factories employing 20 or more and to some non-factory establishments too. The number of subscribers increased from 1.2 million in March 1953 to 5.2 million in March 1968. The amount of contribution varies from 6½ per cent to 8 per cent. The total number of contribution realised up to 1968, is Rs. 1,750 million. Similar Provident Fund Acts for Tea Plantations and Seamen were passed in 1955 and 1966, respectively. The Plantation Labour Act, 1951 is another social security measure for plantation labour. This Act provides for medical, health, maternity and other benefits to plantation labour. Commenting on different provident fund schemes, the National Commission of Labour has opined that conversion of a part of provident fund into retirement-cum-family pension was desirable. The workers demanded an additional benefit of pension, but this was rejected by the N.L.C. The Government of India, however, adopted a family pension scheme in 1971, under which a part of provident fund can be converted into pension; but this has not found favour with the workers.

Besides ESI and P.F. Acts, there are some elements of social security in some other labour legislations also. Mention may be made of lay-off and retrenchment compensation provided for in the Industrial Disputes Act.

The Dock Workers (Regulation of Employment) Act, 1948 provides for the safety, health and welfare of the dock workers. Up to 1 January 1969, 24,000 registered dock workers were covered by this scheme.

The workers have been consistently demanding statutory provision of compulsory gratuity. Recently in West Bengal and Kerala, two Acts have been passed for enforcing the payment of gratuity. Though some sections of workers' organisations have criticised these Acts this has definitely registered some advance on this count as the country had no provision for such benefits in the past.

The Government of India has presently brought a bill in Parliament

for compulsory payment of gratuity to industrial workers all over the country.

Following the recommendations of the Employees' State Insurance Corporation Review Committee, the National Commission on Labour has also recommended an integrated social security scheme by pooling all the social security collections in one single fund.

There have been demands for providing for unemployment relief to mitigate the hardship caused by the mounting unemployment but no such measure has so far been found practicable by the Government.

Since Independence, there has been a remarkable growth of trade union movement. On the eve of the transfer of power there was a tremendous unrest among the industrial and white collar workers. In 1946, the number of labour disputes was 1,929, the number of workers involved was 19,61,948 and the number of man-days lost was 1,27,17,762. In 1947, the corresponding figures were 1,811, 18,40,784 and 1,65,62,666. These figures of course relate to undivided India. But in the early years of Independence, partly as a result of the Industrial Truce Resolution and partly for the political influence exerted by the ruling Indian National Congress and its Government, the number of disputes sharply declined. The year 1953 recorded the lowest number of disputes (772). (See Table I). But the curves started rising again from 1955. The number of disputes rose almost steadily but the other two indices, viz., the number of workers involved and the number of man-days lost moved erratically. The workers were affected by rising prices and other effects on the level of the real wages. The peak of industrial unrest was, however, reached in the year of recession in the late sixties. In 1967 and in 1969 the number of man-days lost crossed the colossal figure of 19 million.

Other features to be noted in this connection is that between 1950 and 1969, that is during two decades, though the number of disputes increased more than three times, the number of workers involved increased only two and half times and the number of man-days lost increased only less than two times. This shows that a considerable proportion of the disputes was in smaller establishments and the average duration of disputes was comparatively shorter.

An analysis of Table II shows that strikes for shorter periods generally decreased and those for longer periods generally increased. With the exception of the year 1963 possibly due to the Industrial Truce Resolution adopted in November 1962, the percentage of strikes of longer durations has been generally high. The percentage of strikes for a day or less (protest strikes) was 36.6 in 1957 as against 29.2 in

1968 and 27.8 in 1969 ; whereas the percentage of strikes for more than 30 days was 7.1 in 1957 as against 14.1 in 1968 and 10.6 in 1969.

An analysis of the causes of disputes (Table III) shows that wages and allowances constitute the most important cause of disputes in pre-Independence (1947) as well as post-Independence days—rather in recent years the share of these factors has increased and accounts for more than one-third of the total causes of disputes. As against 29.4 per cent in 1951 the share of these factors was 38.4 and 36 per cent in 1968 and 1969, respectively. Disputes due to personnel and retrenchment come next, varying from 25 to 30 per cent. Bonus disputes during this period constitute an average of 10 per cent. The share of disputes regarding leave and hours of work has gradually declined from 8.2 per cent in 1951 to 3.2 and 3.8 per cent in 1968 and 1969 respectively. This suggests that conditions in this respect have improved. It should, however, be noted that violence and indiscipline have become a cause of dispute in later years—a reflection of political turmoils and unrest in the wider social spheres.

From an analysis of the table of disputes by results (Table IV), it can be generally said that the percentage of successful disputes has increased while the percentage of unsuccessful disputes has remained almost the same. In 1957, the percentage of successful and partly successful disputes was 45.8—whereas this was 48.6 in 1968 and 52.3 in 1969. In 1957, the percentage of unsuccessful disputes was 33.4—whereas in 1968, it was 36.3 and in 1969 it was 31.2.

In the period since Independence, trade union organisations have registered significant growth. In 1947-48, the number of unions on the register was 2,766 (Table V) ; in 1967 it was 15,314, that is during the two decades, the number increased almost six times ; but the number of unions submitting returns has only increased less than five times from 1,629 to 7,523. This shows a lack of proper functioning of the unions. Though the number of unions grew, the membership does not show a corresponding increase. In 1947-48, the membership was 16,63,000 ; whereas in 1967 it was 45,25,000, a less than threefold growth, which means there is a considerable number of unions having small membership. In other words, the growth of organisation in small establishments is a feature of this period. This is also borne out by the fact that average membership per union actually declined during these two decades. In 1947-48 the average membership was 1,026 ; whereas in 1967 it has come down to 601. Though the trade union organisations have grown it can safely be assumed that the unionised workers are still a small section in relation to the total labour force in India.

A feature of the post-Independence period is that the trade union

movement is divided on political basis. Division and inter-union rivalry hamper the growth of a healthy trade union movement. "One union in one industry" is still a far cry. Despite all this, it should be noted that since Independence trade unions have spread and now cover many sections apart from industrial labour. Government employees, middle class employees in banks and commercial offices—even teachers, professors, working journalists have organised themselves into trade unions. This is a feature of the post-Independence period.

The following table gives the respective strength of the four national centres of trade unions in India.

Verified Membership as on 31 December 1968

	No. of Unions	Membership
INTUC	1165	13,26,152
AITUC	1008	6,34,802
HMS	248	4,63,772
UTUC	216	1,25,754

Thus we find that significant changes have taken place in the character of Indian labour since Independence.

The labour force has increased in numbers but this is not the most important aspect of the change that has taken place. From being a migratory force with roots in the villages it is now acquiring the characteristics of a full-fledged industrial working class which has a stake and a life long interest in industry.

Moreover, the labour force is now better educated, more alert, more union-minded and more conscious of its own rights and of political developments in the country generally. Unfortunately there is a considerable fragmentation of the labour movement with unions tending to follow political parties rather than being concerned with the welfare and economic uplift of the workers.

Government legislation has, as was expected from a welfare state, sought to protect labour in various ways and to provide essential social security measures. Government legislation has also been aimed at improving the standard of living of the workers. Enlightened employers have also played a role in improving the lot of the workers by providing amenities which are sometimes in advance of the minimum required by Government legislation.

Much, however, remains to be done. While efforts to improve living standards must continue to be made it is necessary to ensure that the skills of our labour force grow and that their productivity increases. In underdeveloped countries such as India human resources are the most important and if effectively and productively employed it is these that can enable the country to reach the take-off stage.

Appendix to Chapter II

TABLE I
Industrial Disputes since 1947

Year	No. of Disputes	No. of Workers involved ('000)	No. of man-days lost ('000)
1947	1811	1841	16563
1948	1259	1069	7837
1949	920	685	6601
1950	814	720	12807
1951	1071	691	3819
1952	963	809	3337
1953	772	466	3382
1954	840	477	3372
1955	1166	528	5698
1956	1203	715	6992
1957	1630	889	6429
1962	1491	705	6121
1963	1471	563	3269
1964	2151	1003	7725
1965	1835	991	6470
1966	2556	1410	13846
1967	2815	1490	17148
1968	2776	1669	17243
1969	2627	1826	19048
1970(P)	2328	1290	17174

P= Provisional.

TABLE II
Industrial Disputes by Duration

Year	A day or less	More than a day and up to 5 days	More than 5 days and up to 10 days	More than 10 days and up to 20 days	Percentages	
					More than 20 days and up to 30 days	More than 30 days
1957	36.6	30.0	12.6	9.3	4.4	7.1
1959	39.8	26.9	12.0	6.6	5.0	9.7
1960	31.1	25.9	11.2	20.2	3.7	7.9
1961	31.2	32.2	12.5	10.2	6.0	7.9
1962	31.3	27.3	11.3	9.7	8.3	12.1
1963	36.1	35.6	13.6	6.2	3.8	4.7
1964	31.6	30.5	14.3	10.7	5.0	7.9
1965	31.2	30.8	30.3	9.6	5.6	9.5
1966	30.8	27.3	14.8	12.8	5.1	9.2
1967	26.2	29.0	13.8	12.2	6.5	12.3
1968	29.2	24.1	14.6	12.2	5.8	14.1
1969	27.8	28.3	12.4	14.2	6.7	10.6

TABLE III
Industrial Disputes by Causes

Percentages

Year	Wages & allowances	Bonus	Personnel & retrenchment	Leave & hours of work	Indiscipline and violence	Others
1947	32.0	10.9	19.5	5.2	—	32.4
1951	29.4	6.8	29.3	8.2	—	26.3
1956	28.3	8.8	39.7	5.7	—	17.5
1957	29.6	13.6	30.9	5.0	—	20.9
1961	30.4	6.9	29.3	3.0	—	30.4
1962	30.2	12.3	25.2	0.7	—	31.6
1963	27.8	10.0	25.9	4.6	—	31.7
1964	34.9	7.9	27.4	2.0	—	27.8
1965	33.5	9.9	27.3	2.5	—	26.8
1966	35.8	13.2	25.3	2.4	—	23.3
1967	39.9	10.9	23.6	1.0	—	24.6
1968	38.4	9.4	28.2	1.9	3.2	18.9
1969	36.0	10.0	26.6	2.2	3.8	21.4

TABLE IV
Industrial Disputes by Results

Percentages

Year	Successful	Partly successful	Unsuccessful	Indefinite
1957	30.8	15.0	33.4	20.8
1959	23.7	14.0	32.3	30.0
1960	33.1	11.0	30.5	25.4
1961	28.8	19.5	29.5	22.2
1962	30.2	18.3	30.7	20.8
1963	23.4	17.9	41.0	17.7
1964	27.7	14.8	37.2	20.3
1965	30.7	13.5	35.9	19.9
1966	31.6	16.5	31.4	20.5
1967	33.3	15.8	34.7	16.2
1968	30.2	18.4	36.3	15.3
1969	35.2	17.1	31.2	16.5

TABLE V

*Number and Membership by Trade Unions Registered under Indian
Trade Union Act, 1926*

(Employees and Workers)

Year	No. of unions on register	No. of unions submitting returns	Total membership in thousands	Average membership per union
1947-48	2766	1629	1663	1026
1951-52	4623	2556	1996	781
1955-56	8095	4006	2275	568
1960-61	11312	6813	4013	589
1961-62	11614	7087	3977	561
1962-63	11827	7251	3682	507
1963-64	11984	7250	3977	548
1964-65	13023	7543	4466	592
1965 (April to December)	13248	6933	3788	546
1966	14686	7244	4392	606
1967	15314	7523	4525	601
1968	15712(E)	4088	2383	582



Chapter III

BACKWARD CASTES AND TRIBES

Backward castes and tribes represent a sizable part of the Indian population. According to the census estimate, about 20 per cent of the population numbering as many as 9,45,89,587 persons belong to these categories. This is roughly equivalent to the total population of Indonesia.

Even this figure, large as it is, covers only a part of the population which is, in the real sense of the term, backward.

From the point of view of living standards and education, the majority of Indian people and their communities could be classed as "backward". About 50 per cent of them live below the poverty-line and as many as 66 per cent or more have neither reading nor writing ability—they are simply illiterates. This miserable state of affairs, however, does not represent the picture of a 'community backwardness'; it simply indicates the state of underdevelopment of the country as a whole. The concept of 'community backwardness' has a special connotation in the context of the peculiar socio-economic set up of India.

The Constitution of the country, while dwelling on the question of depressed classes, has sought to define this concept on a workable basis. In the Article 366 (Part XIX), the expression 'Scheduled Castes and Tribes' refers to those 'Castes and Tribes' or part of a group within such categories as are listed under the Article 341 for the purpose of the Constitution. The Constitutional lists or 'schedules' provide a picture of backward classes in India but are vague on the specified attributes that distinguish the 'scheduled' from 'non-scheduled' categories.

While for the 'scheduled castes', untouchability is the accepted criterion for demarcating them from the rest of the society, for 'Scheduled Tribes' and other backward communities there is no such criterion or criteria. Gunnar Myrdal has traced a general criterion implicit in the whole approach. According to him " 'Backward Classes' is the official name given to those groups which, for a variety of reasons, have lacked adequate opportunities for economic and educational advancement". But then, there are very few in this country who have

such "adequate opportunities" and the 'variety of reasons' he has referred to as the causes of this situation may be really limitless.

Viewed from the operational aspect of Indian society, 'community backwardness' is a concept related to the social stratification which again follows the traditional caste division of the society. The upper castes constitute the community of social 'haves' who by virtue of their high-birth are better endowed with opportunities for economic and educational advancement. This is a hereditary privilege they enjoy. On the other side lie the lower caste strata, known as 'Sudras' or 'Antyajas' who are social 'have-nots'.

"Hindu tradition", observed Seling S. Harrison, "has its unifying strength in a symbolism that even in the earliest Hindu scriptures encompasses all India. The Rig Vedic River Hymn projects the unity of the motherland on a national scale : Oh Ye Ganga, Godavari, Narmada, Kaveri, and Indus come ye and enter the water of my offerings. The Hindu imagines waters from all directions mingling in the waters of his pot." The 'Garuda Purana' has made a review of all sacred places right from the Himalayas to Cape Comorin. Radha Kumud Mookerjee believes that the main objective of the scriptwriter here "was to treat the entire country as a single sacred unit". Thousand and one such examples could be cited to show the unity concept of the classical Hindu scriptwriters.

"Despite this common fund of tradition", Harrison further observed, "Hinduism is in a social and political sense as much a force for disintegration as for integration. Neither king nor Pope embody for Hinduism the controlling discipline common to other major religions. Unlike Confucianism in China, as a notable example, Hinduism has never brought forth on an enduring basis its own centralised political institutions. In this inchoate character lies the unifying capacity to accommodate great diversity. But at the same time the complete absence of institutional forms has made it impossible for Hinduism to control the centrifugal strains built into its unique social order—a social order which is the most persuasive accompaniment of being Hindu".

Dr. B. R. Ambedkar believed that "untouchability came into existence as a result of persecution of Buddhists due to the revival of Brahminism with its rigid caste system". From then onwards it gradually became a basic and unique feature of the Hindu social system.

On the question of untouchability, the committee on 'untouchability, economic and educational development of scheduled castes' has noted that it is "fundamentally of religious and political origin. Untouchability is not a separate institution by itself ; it is corollary of the institution of the caste system of the Hindu society. It is an attitude

on the part of a whole group of people. It is a spirit of social aggression that underlies this attitude. The caste system is a sacred institution and the untouchability is an essential concomitant of the faith that the caste has a divine basis and that the social order based on that is sacred”.

With the establishment of the British rule, a new age was born in the social history of India. It was the age of “modernisation of ideals”. The traditional values which were both the causes as well as effects of the age-old socio-economic stagnation were rejected, for the first time, by a newborn middle class elite who emerged as a social-reformist force. They sought to establish an egalitarian value-premises compatible with a modern industrial society.

It was a revolution in ideas and ideals. Having been inspired by the industrial and social revolutions of the West, this newborn elite felt a strong urge to change the socio-economic as well as cultural environment around their own life. It was a renaissance in the real sense of the term.

On their value premises, irrationalism was replaced by a rational approach towards life. The concept of socio-economic equality was mooted in the new society and the democratic way of living became their ‘ideal-type’.

The leaders of “modernisation of ideals” viewed the caste system as a primitive institution opposed to any social progress. Raja Rammohan Roy, the father of Indian nationalism, was in real sense the father of anti-caste movement too. He founded ‘Brahma Samaj’ on an egalitarian concept of equality of all irrespective of caste and social status. He also encouraged inter-caste marriage and condemned untouchability and the so-called guardians of the Hindu religion who supported this evil institution.

Following in the footsteps of Raja Rammohan, Swami Dayananda had formed Arya Samaj and fought till the end of his life to remove this corrupt practice from the society. The great Swami Vivekananda inspired the millions of his countrymen to stand against untouchability and other rigidities connected with the caste system. More recently another swamiji, Swami Pranabananda of Bharat Sevashram Sangha who himself belonged to a scheduled caste community, played an important role in the anti-caste movement.

The movement against untouchability rose to its peak in the 20th century. In 1917 one Swami Sajanananda organised the depressed class people to touch the water of the sacred tank at Omekalam and he was prosecuted for this by the Government of Madras. In the year

1928 Baba Saheb (Dr.) B. R. Ambedkar organised a satyagraha movement at Mahad (Kolaba District) to establish the civil rights of the depressed classes.

In Kerala, the campaign for temple-entry was most peaceful and best organised. The 'Temple Entry Proclamation' issued by the Maharaja of Travancore in 1936 was the first in the field of reforms relating to eradication of untouchability before Independence.

In 1930 at Nasik, Kala Ram Temple Satyagraha was organised by Dr. B. R. Ambedkar. In 1932 the famous Mukhed Satyagraha under the leadership of Dr. Ambedkar was organised. Gandhiji announced in the Poona Pact that he would eradicate untouchability in a period of ten years. Following this declaration quite a few, including many a distinguished citizen of the country, joined hands with Gandhiji and formed Harijan Sevak Sangha.

The participation of Gandhiji in the anti-caste movement and the leadership he provided to the millions of Indians in removing untouchability from the Hindu society helped forming the public opinion against the caste system. Like Baba Saheb (Dr.) B. R. Ambedkar, who himself belonged to a scheduled caste community, Gandhiji could feel the political danger inherent in alienated scheduled caste strata of Indian society. "Down with the monster of caste that masquerades in the guise of varna", he declared.

Similar to the scheduled castes, tribes in India are also alienated from the main stream of the national life. Separated from the plains, hills suffer from a sense of natural isolation. Tribes living in hills and forest areas feel this natural isolation coupled with a sense of neglect and exploitation by the people from outside the orbit of their life.

Christian missionaries played a pioneering role in the upliftment of the tribal folks. By spreading education and other modern infrastructure they helped to bring enlightenment to the tribal mind.

The enlightened tribal communities of India today show a strong desire for a better life. They also want to be treated at par with their fellow citizens living in the plains. Where this desire remains unfulfilled, the sense of natural alienation in them instantaneously takes the form of a bitter socio-political alienation.

The declared objective of the independent Government as embodied in the preamble to the Constitution was to establish an egalitarian society based on justice, liberty, equality and fraternity. The Directive Principles of State Policy lay down that the state shall strive "to promote the welfare of the people by securing and protecting as effectively

as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life". Specific directive has also been given to the Government for the "promotion of educational and economic interests of scheduled castes, scheduled tribes and other weaker sections".

In accordance with that directive, the Constitution prescribes protection and safeguards for scheduled castes, scheduled tribes and other backward classes. These are :

- (i) the abolition of "untouchability" and the forbidding of its practice in any form (Art. 17) ;
- (ii) the promotion of their educational and economic interests and their protection from social injustice and all forms of exploitation (Art. 46) ;
- (iii) the throwing open of Hindu religious institutions of a public character to all classes and sections of Hindus (Art. 25) ;
- (iv) the removal of any disability, liability, restriction or condition with regard to access to shops, public restaurants, hotels and places of public entertainment; the use of wells, tanks, bathing ghats, roads and places of public resort maintained wholly or partly out of State funds or dedicated to the use of the general public (Art. 15) ;
- (v) the curtailment in the interests of a Scheduled Tribe of the general rights of all citizens to move freely, settle in, acquire property or practice any trade or business [Art. 19(5)] ;
- (vi) the forbidding of any denial of admission to educational institutions maintained by the State or receiving aid out of State funds (Art. 29) ;
- (vii) the obligation of the State to consider their claims in the making of appointments to public services and reservation for them in case of inadequate representation (Arts. 16 and 335) ;
- (viii) special representation in Parliament and the State Legislatures for a period of twenty years (Arts. 330, 332 and 324) ;
- (ix) the setting up of advisory councils and separate departments in the States and the appointment of a Special Official at the Centre to promote their welfare and safeguard their interests (Arts. 164, 338 and Fifth Schedule) ; and
- (x) special provision for the administration and control of scheduled and tribal areas (Art. 244 and Fifth and Sixth Schedules).

Following these constitutional provisions, the Government of India and other State Governments have adopted quite a number of measures for the general upliftment of all backward classes.

The general approach of independent India vis-a-vis the backward communities seems to be based on three considerations. First, a source of potential danger was traced in the socially alienated backward communities. In order to remove this 'element of potential explosion' from the body politic, leaders of new India realised the need for creating an atmosphere of confidence in the historically residual strata of socially unprivileged or underprivileged.

Secondly, as a necessary precondition for developing an industrial society, the question of national integration was accorded a top priority in the state policy and along with this the question of integrating scheduled castes and tribes with the rest of the society came to the forefront.

Thirdly, as Gunnar Myrdal has explained, "inequalities inherent in the traditional social stratification are recognised as being obstacles of development. That the caste in India is such an obstacle is obvious. In a national setting of extreme poverty, it tends to make the existing inequalities particularly rigid and unyielding. Since large numbers of labourers in agriculture and other occupation are despised as untouchables, the caste system fortifies the prevailing contempt and disgust for manual work. Since an orthodox Hindu regards not only those who perform this work but everyone outside his own caste as beyond the pale, it also warps and stultifies ordinary human feelings of brotherhood and compassion. The habits of thought moulded by the caste system and the confined and frustrated relations to which it gives rise afflict not only those well down in the social hierarchy but also those in its upper reaches, including business executives, administrative officials, and University personnel". It was, therefore, felt necessary to remove the institution of casteism from Indian society.

In 1955 the Untouchability* (Offences) Act came into force and this made the practice of untouchability of all forms punishable in the court of law. Most of the States have appointed small committees to enforce, where necessary, the provisions of this Act.

Since 1954, the Government of India have been giving financial support to the movement to eradicate untouchability. Both official and non-official agencies are being utilised for this purpose. The State Governments have instructed their district officials, who deal with the

* 'Untouchability' means a member of a scheduled caste as defined in clause (24) of Article 366 of the Constitution and includes any other person who by custom or usage is regarded as an 'untouchable' by any community or section thereof.

public, to stress the need for and the urgency of doing away with this evil. "Harijan Days" and "Harijan Weeks" are observed to focus public attention and enlist people's co-operation in the eradication of untouchability. Publicity media, such as books, pamphlets, handbills and audio-visual aids have also been pressed into service. The translation of the Untouchability (Offences) Act, 1955 into different languages and the distribution of the translated copies amongst the various strata of people were conducted as a policy of communicating this Act to all sections of people.

Data available up to 1964 since the Untouchability (Offences) Act came into force in 1955 show that altogether 4,540 cases were registered with the police for the violation of the Act. More than 1,000 people were proved guilty and as such convicted by the court of law. The following table indicates the working results of the Act when enforced by the State :

Year	No. of cases	Cases challenged	Convicted	Acquitted
1955	180	180	80	12
1956	693	599	149	106
1957	492	415	87	35
1958	550	477	127	83
1959	481	401	105	70
1960	509	438	89	74
1961	489	438	187	141
1962	389	338	77	91
1963	396	314	77	47
1964	371	336	157	53
<i>Total</i>	<i>4,540</i>	<i>3,936</i>	<i>1,055</i>	<i>712</i>

Centrally the Ministry of Social Welfare is entrusted with the task of developing backward communities. A Special Officer designated as the Commissioner for Scheduled Castes and Scheduled Tribes has been appointed by the President of India under Article 338 of the Constitution to (i) investigate all matters relating to the safeguards for scheduled castes and scheduled tribes provided under the Constitution, and (ii) report to the President on the working of these safeguards.

In June 1967, the Commissioner's Office was reorganised and a separate organisation was set up in the Department of Social Welfare under the charge of Director General for Backward Classes' Welfare to formulate schemes for the welfare of backward classes, watch the progress of implementation and to maintain the necessary liaison with

the States. The Director General is assisted by five Zonal Directors and nine Deputy Directors posted in various regions.

In addition, there are two Central Advisory Boards, one for Tribal Welfare and the other for Harijan Welfare comprising selected Members of the Parliament, social workers and social scientists, for advising the Government on formulation of policies and programmes for the welfare of scheduled castes and tribes and development of tribal areas.

Under the provision to Article 164(1) of the Constitution, Welfare Departments in charge of a Minister have been set up in Bihar, Madhya Pradesh and Orissa. Welfare Departments have also been set up in all States other than Nagaland, Manipur and Tripura.

Apart from the Central and State Governments, various voluntary welfare organisations have been doing useful social service in many fields. The important organisations of all-India character for Scheduled Castes, include (a) All-India Harijan Sewak Sangh, Delhi, (b) Bhartiya Depressed Classes League, New Delhi, (c) Iswar Saran Ashram, Allahabad, (d) Indian Red Cross Society, New Delhi, (e) Hind Sweepers Sewak Sangh, New Delhi, and (f) Ramakrishna Mission, West Bengal.

Voluntary organisations working for the Scheduled Tribes are (a) Bhartiya Adimjati Sewak Sangh, New Delhi, (b) Indian Council for Child Welfare, New Delhi, (c) Andhra Pradesh Adimjati Sewak Sangh, (d) Central Social Welfare Board, New Delhi, (e) Ramakrishna Mission, Cherrapunji and Shillong, (f) All-India Backward Classes Federation, New Delhi, and (g) Bhartiya Ghumantu Jan (Khanabadosh) Sewak Sangh, Delhi.

The Servants of India Society, Poona, looks after the interests of other backward classes, while the National Council of Educational Research and Training, New Delhi, serves both the Scheduled Castes and Scheduled Tribes.

Besides, in pursuance of the provisions of the Sixth Schedule to the Constitution one Regional Council and six District Councils have been set up in the Hill Districts of Assam. Each of the District Councils consists of not more than 24 members, three-fourth being elected on adult suffrage. The councils possess wide legislative and rule-making powers as well as certain financial and taxation powers.

Again, in pursuance of the provisions of the Fifth Schedule to the Constitution, Tribes Advisory Councils have been set up in many States.

In accordance with the Constitution, seats, proportionate as far as possible to their population in the States, have been reserved for

the Scheduled Castes and Tribes in Lok Sabha and the State Bidhan Sabhas.

Following the introduction of Panchayati Raj, suitable safeguards have been provided for proper representation of members of the Scheduled Castes and Scheduled Tribes by reserving seats for them in the Gram Panchayats and other local bodies.

Twelve and a half per cent of the vacancies for which recruitment is made by open competition on an all-India basis and 16-2/3 per cent of the vacancies to which recruitment is made otherwise are reserved for the Scheduled Castes. For the Scheduled Tribes, the reservation is five per cent in both cases. Reservations in direct recruitment to classes III and IV posts which normally attract candidates from a locality or region are fixed in proportion to the population of Scheduled Castes and Scheduled Tribes in the respective States and Union Territories.

Reservation is also made at 12½ per cent of the vacancies for Scheduled Castes and five per cent of the vacancies for Scheduled Tribes in promotions by (i) selection, and (ii) on the results of the competitive examinations limited to departmental candidates in grades or services in classes III and IV to which there is no direct recruitment whatever.

To facilitate their adequate representation, concessions such as (i) relaxation in age-limit, (ii) relaxation in the standard of suitability and qualifications, and (iii) selection, subject to fulfilling the minimum standard of efficiency, have been provided for. If no suitable Scheduled Caste or Scheduled Tribe candidates are available for the reserved posts, they are treated as unreserved and an equal number of reservations are carried forward to two recruitment years, provided, however, that the number of reserved vacancies does not at any time exceed 45 per cent of the total vacancies.

In order to raise the social, educational and economic standards of the backward classes, special schemes had been taken up by the Government of independent India as a part of their five year plans. "In the first eighteen years of planning, about Rs. 2,770 million were spent on special programmes for the welfare of backward classes, in addition to the outlays from general development programmes, from which too, benefits have flown to backward classes. Of this, Rs. 1,000 million was for the members of the Scheduled Castes, Rs. 1,500 million for the members of the Scheduled Tribes and Rs. 270 million for other backward classes. A programme-wise break up of the expenditure shows that Rs. 1,170 million were spent on schemes of educational development, Rs. 910 million on economic development and Rs. 690 million on health, housing and other schemes". The following table shows the expenditure on some important programmes.

Expenditure on Some Important Programmes

(Rs. crores)

Sl. No.	Item	Third plan expenditure	1966-69 anticipa- ted expen- diture	Fourth plan outlay
(0)	(1)	(2)	(3)	(4)
1	Centre	36.91	38.92	60.00
2	tribal development blocks	15.83	20.44	32.50
3	post-matric scholarships	9.48	13.01	11.00
4	girls hostels	0.14	0.58	2.00
5	coaching and allied schemes	—	0.11	1.00
6	research training and special projects	0.39	0.39	1.50
7	cooperation (special schemes)	3.06	1.13	2.50
8	Improvement in working and living conditions of those in unclean occupations	3.44	1.13	3.00
9	denotified tribes and nomadic tribes	3.82	1.77	4.50
10	aid to voluntary organisations	1.05	0.76	2.00
11	states	58.69	27.64	77.43
12	education	32.70	19.22	
13	economic development	14.73	4.06	
14	health, housing and other programmes	11.26	4.36	77.43
15.	union territories	3.54	4.36	
16	education	0.49	0.45	
17	economic development	1.96	1.09	
18	health, housing and other programmes	1.09	0.39	4.95
19	total (+ 11 + 15)	99.14	68.49	142.38

According to the 1961 Census, 14.9 million Scheduled Tribes people were engaged in agriculture, of whom 3.33 million were agricultural labourers. Corresponding figures in respect of the Scheduled Castes were 21.9 million engaged in agriculture, including 10.4 million agricultural labourers. During the first three years of the third five year plan,

86,248 acres of land was allotted to Scheduled Caste and 51,017 acres to Scheduled Tribe landless agriculturists, affording the benefit to 47,814 families.

Shifting cultivation is a distinguishing feature of agriculture practised by some tribal communities in certain areas of Andhra Pradesh, Assam, Bihar, Madhya Pradesh, Maharashtra, Mysore, Orissa, Manipur and Tripura.

Among the measures to rehabilitate shifting cultivators on permanent cultivation during the third plan period were: (i) the setting up of three pilot farms and five agricultural demonstration units and suitable agricultural aid in Andhra Pradesh; (ii) introduction of cash crops and reclamation of land through soil conservation in Assam; (iii) preference in granting subsidies for agricultural implements in Madhya Pradesh; (iv) jhum control scheme and settlement in Orissa; (v) granting subsidies for terrace cultivation and minor irrigation in Manipur; and (vi) development of colonies in Tripura.

Schemes have been launched to improve irrigation facilities to reclaim waste land and to distribute it among members of the Scheduled Castes and Scheduled Tribes. Facilities for irrigation, distribution of fertilisers; and agricultural implements are being extended to them. Some States have set up demonstration farms for training them in methods of scientific cultivation. Cattle breeding and poultry farming are being encouraged among these people. Almost all the States and Union Territories have completed land reforms and the tribal cultivators have not been or are being brought in direct relations with the States. The State Governments have also adopted various legislative and executive measures to provide security of land tenure and debt redemption to the tribal people. The Governments of Andhra Pradesh and Madhya Pradesh have introduced special regulations to control the business of money lending in the Scheduled Areas and provide relief to the indebted families. The Government of Madhya Pradesh has introduced a scheme for grant of loans to tribal people for non-productive purposes on an experimental basis.

All the States and Union Territories have launched schemes for the development of cottage industries through loans, subsidies and training centres. Training-cum-production centres have also been started. Various types of co-operative societies such as forest labour co-operatives, marketing-cum-consumers' co-operatives and labour co-operative have also been established.

Legislation has been enacted in almost all States to extend relief to the indebted, including those belonging to the Scheduled Castes and Scheduled Tribes. Measures for the abolition of their debt bondage have

been taken in Orissa and Bihar. Andhra Pradesh, Assam, Bihar, Madhya Pradesh, Orissa and West Bengal have enacted tenancy laws to ensure security of land tenure of the Scheduled Tribes.

An eight-member Inter-Departmental Committee has been set up to work out detailed proposals for the development of tribal economy in forest areas in consultation with State Governments. The terms of reference of the Committee include, among others, the pattern of organisation of forest labour societies and of financial assistance programmes of development during fourth and fifth plans and changes required in forest policies.

Other welfare schemes include the grant of house sites free or at nominal cost, assistance by way of loans, subsidies and grants-in-aid to local bodies for the construction of houses for their Harijan employees, a scheme for giving grants to the local bodies for purposes of wheel barrows and other appliances to be used by scavengers, and monetary assistance to co-operative building societies specially for the benefit of the Scheduled Castes and Scheduled Tribes.

Tribal research institutes, which undertake intensive studies of tribal arts, culture and customs, have been set up in Andhra Pradesh, Assam, Bihar, Gujarat, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and West Bengal. Research in tribal welfare is also conducted by the Anthropological Survey of India, Research Department, NEFA, Social Studies and Handicrafts units of the Registrar General of India, Universities and various other organisations.

Facilities for imparting training to various categories of officers for work among the tribals are available in research institutes in Andhra Pradesh, Bihar, Gujarat, Madhya Pradesh, Rajasthan and West Bengal. Four tribal orientation and study centres have also been started in Bihar, Rajasthan, Orissa and Madhya Pradesh.

During the second plan period, under a Central programme for special multi-purpose tribal blocks aimed at intensive development in tribal areas on the general pattern of community development with modifications to suit tribal conditions, 43 development blocks were started with an outlay of Rs. 2.3 million per block in stages I and Rs. one million per block in stage II. At the end of the third plan, 458 such blocks were functioning, each covering about 518 square kms. and 25,000 people, of whom at least two-thirds were tribals. During 1966-67, 31 new T.D. Blocks with a concentration of at least 50 per cent of the tribal population in each have been opened.

The Government of India have recently introduced a pilot project to investigate the attitudes and behaviours of women, in a selected

tribal society. This project aims at modifying the structure and content of the existing programmes like education of tribal girls, social welfare, marketing, supply and production programmes, family and child welfare, balwadis/nursery schools, etc., to ensure active participation by tribal women. To begin with, the study has been undertaken among the Bhils in Jhabua district in Madhya Pradesh and Toda and Kurumba or Kota tribal communities in the Nilgiris district, Madras.

Measures to provide increased educational facilities have been taken, emphasis being on vocational and technical training. The concessions include free tuition, stipends, scholarships and the provision of books, stationery and other equipment. Mid-day meals are also provided in many places.

The Government of India instituted a scheme for grant of scholarships to the Scheduled Castes in 1944-45 and extended it to the Scheduled Tribes in 1948-49 and to other Backward Classes in 1949-50. The scheme was decentralised from 1959-60.

The Central Government's scheme to award scholarships to deserving students from these classes for studies in foreign countries came into force in 1953-54. From 1955-56 the number of such scholarships was increased to 12, four for each of the three groups. Tourist class sea passages are given to students who receive foreign scholarships without travel grants. Overseas scholarships to students belonging to backward communities are also awarded by some State Governments.

Seventeen and a half per cent of the merit scholarships granted by the Centre to deserving students of the lower income groups for studies in institutions which are members of the Indian Public Schools Conference, are reserved for backward communities. Some of the State Governments offer similar scholarships. Some public schools also award scholarships to deserving backward class students.

Post-Matric scholarships are given to eligible Scheduled Caste students. 37,077 such scholarships were awarded during the first plan, 1,61,472 during the second plan and 3,15,358 during the third plan. The expenditure went up from Rs. 15.8 million in the first plan to Rs. 142.1 million in the third plan. During 1966-67, Rs. 43.8 million was awarded in 90,481 scholarships to the Scheduled Caste students.

Post-Matric scholarships were awarded to every eligible applicant belonging to a Scheduled Tribes community. The number of such scholarships given during first, second and third plan periods was 8,495, 25,592 and 60,058, respectively. The expenditure rose from Rs. 4.2 million during the first plan period to Rs. 26.3 million in the third

plan. During 1966-67, Rs. 8.38 million was incurred on the award of 17,760 scholarships.

Reservation of seats, lowering of minimum qualifying marks and raising of the maximum age-limit for admission of members of these classes in all technical and educational institutions are among other steps recommended by the Union Government to all educational authorities.

Financial provision was made in the third plan for setting up hostels for Scheduled Caste and Scheduled Tribes girls taking up higher studies. But the scheme could not make much headway due to the Emergency. During 1966-67 Rs. 449,000 was spent for giving building grants to suitable voluntary organisations for starting hostels for Scheduled Tribe girls and Rs. 629,000 for hostels for Scheduled Caste girls.

Thanks to the efforts made during the past twenty-five years, there has been a significant development in the living environment of India's 94 million Scheduled population. This development designed for the upliftment of a particular segment of the community has led to a complex pattern of social response and reaction.

While the scheduled classes have, understandably, on the whole responded favourably to these measures some tensions have appeared between those members of the scheduled classes who were able to get a share of the benefits of growth and those who were deprived of them. This is a new area of social tension which was unknown to the scheduled communities before the country's independence.

The responses of the non-scheduled population to the development of scheduled classes varied in accordance with their social consciousness. While the more enlightened population hailed these developmental efforts and substantially participated in the process deemed necessary for the socio-political integration of the country, the relatively less conscious masses sharply reacted to the preferential treatment accorded to the socially depressed. In many cases they expressed their feelings by adopting an even more rigid attitude vis-a-vis the scheduled communities. This too has led to social tensions in the community as a whole. For many a political incident involving scheduled communities, this antagonistic approach of the non-scheduled classes can be held responsible. This is also a reason why the practice of untouchability still lingers in certain areas despite the Untouchability (Offences) Act.

The Commission on 'Untouchability' set up in 1969 has provided a whole list of incidents showing the existence of this evil practice in different regions of the country. Some of them such as the lynching of

a Harijan boy in a village in Andhra Pradesh or the forcing of a scheduled caste woman to go naked as happened in a village in Maharashtra, are inhuman and can hardly be matched anywhere in civilised society.

But there is doubt that the rigour of untouchability as a social practice has lessened and that though it still exists in different parts of the country, it is on the wane. In this connection it might be of interest to quote a few extracts from the dissenting note of a member Mr. R. Achutan, who did not agree with the other members "that there is an acute problem of untouchability in the country and that it is the main handicap in the development of the scheduled castes" He. made quite a few interesting observations on the question of improving the status of scheduled population and the obstacles in the way of their development.

"I feel that the aspect of untouchability has been too much exaggerated by them. I am not saying that there is no untouchability in the country ; I mean only that economic and educational development of Scheduled Castes are the major problems and untouchability is only a secondary one. Once we are able to uplift these communities economically and educationally, no doubt, untouchability will automatically disappear. It is therefore, absolutely essential that the Central and State Governments should immediately adopt measures for economic and educational betterment of these unfortunate communities.

"Recently an attempt is being made by some vested interested persons to exaggerate the aspect of untouchability for reasons well known to themselves. They, no doubt are trying to capitalise on these poor communities.

"I do not agree with the views of other members that there is acute form of untouchability in U.P. and Gujarat. Especially, this is not true in view of the fact that the Harijan Chairman and Members of the Committee while they were on tour in Gujarat lavishly enjoyed the hospitality of Brahmins in Gujarat. After accepting their hospitality it is not right on their part to come out and proclaim that there is untouchability in the birth place of Mahatmaji. No other State has produced so many IAS officers and MBBS doctors, Engineers nd Advocates among Scheduled Castes as the U.P. State. Of course there is untouchability and segregation in some hostels and other public places. But this does not mean that one should cover up the first thing and exaggerate the second one only. Such a mentality will only harm the cause of Harijans. I do not agree with this attitude of other members.

"It is, therefore, my humble suggestion that the people who love Harijans and who really desire their betterment, should concentrate their attention more on economic and educational development and not on

untouchability. I firmly believe that only through economic and educational development of Scheduled Castes their all round development can be achieved. The Central and State Governments and leaders of society should, therefore, concentrate on these aspects. Central and State Governments should make much more provisions in their Budget for these purposes. More and more educational institutions attached with hostels should be started. Scholarships and stipends and building grants should be liberally granted. In the same way, in economic field, Harijans should be allotted land, house-sites and houses. They should be encouraged to start industries and other business. Such measures, I believe, will raise the Harijans not only economically and educationally but also socially. Such measures will also eradicate untouchability from our country."

While due consideration needs, of course, to be given to these views there is no gainsaying the fact that we have still a long way to go in the matter of eradication of untouchability. Instances of collective oppression of untouchables, of insults and even physical assaults leading to the death of Harijans, are unfortunately still not as hard to come by in Indian society as one would wish for.

In a democratic country like India where the freedom of individuals is constitutionally guaranteed, any social planning having a totalitarian form and content is difficult to implement if not totally impossible. Here an individual cannot be forced to change his outlook or his behaviour pattern vis-a-vis the social groups he does not belong to. Only by changing the external environment around him, he can be induced to change himself in the desired direction. The process of any social integration in a democratic country always depends in the final analysis on the willingness on the part of the social categories to integrate. At the same time it cannot be left to chance. Conscious and continuous action at various levels must be initiated by the State and simultaneously the process of educating the more developed sections of society to accept the process of integration has to go on.

Much has been achieved in the last 25 years to curb the evils of backwardness and untouchability but the final victory has yet to be won.

Chapter IV

SCIENCE AND TECHNOLOGY

A quarter of a century of Independence is not too long a time in the history of a country. Twenty-five years is not too short either, to put a nation on its rails. India's scientific, technological and economic progress through the twenty-five years of freedom is punctuated with successes and failures of varying degrees.

The pre-Independence decade marked a period of intensified freedom struggle. It was in this period too that some of the basic policies involved in planning were being formulated. The leaders and intellectuals realised that political emancipation was not an end in itself. It would however open the doors of national development in its totality. The National Planning Committee (NPC) (1938-42), headed by Jawaharlal Nehru, had many eminent scientists, economists and other leaders on its panel to study the existing situation and to chart out a course of action for the future. The NPC laid due stress on all facets of national life,—agriculture, industry, mineral resources, fuel and power, inland navigation, public health, and the like. Education received considerable attention, not only for building up an enlightened society, but also as a tool of economic progress. Scientific and technical manpower was considered to be one of the primary inputs for social change and economic progress. Scientific agriculture and large-scale industry were recognized to be the corner-stone of future prosperity.

Immediately on achieving Independence, scientific and technological education received the special attention of the Government of India. The Ministry of Education made a quick survey of the situation and found that scientists and engineers had to be produced in large number. They also recommended starting and maintaining a National Register of Scientific and Technical Personnel. The roster came into existence by the end of 1948, and continues to serve as the primary source of information relating to trained technical manpower of the country at home and abroad.

By 1950, the educational system in the country got into its stride. Quantitative expansions started all round. Qualitative aspects were reviewed, among others, by the Radhakrishnan Commission (1948) and

the Kothari Commission (1964). Many of the Universities opened or expanded post-graduate teaching in science. There was conscious effort and a declared policy to increase the enrolment of science students at college level. Engineering and technological education received a major re-orientation by the mid 1950s. By now, engineering colleges number 135, and diploma institutions (polytechnics) about 280. The number of medical colleges has risen to about one hundred.

Growth of scientific and technical manpower between 1950 and 1970 is shown in Table I :

TABLE I

Growth of Scientific & Technical Manpower in India

Category	Stock at the end of the year		
	1950	1960	1970
Science Graduates	66,900	185,800	480,200
Post-Graduates in Science	17,000	51,400	152,700
Engineers & Technologists (Deg.)	21,600	62,200	185,400
Engineers & Technologists (Dip.)	31,500	75,000	244,400
Medical Graduates	18,000	41,600	97,800
Medical Licentiates	33,000	34,000	27,000
Total	188,000	450,000	1 187,600

Source : Technical Manpower, Vol. 12, No. 6, June 1970.
(Division for Scientific & Technical Personnel, CSIR).

What strikes one is the fact that science manpower is numerically much larger than engineering manpower in India, while, in all 'active' countries (China, Japan, USSR, UK, USA, etc.), the number of engineering graduates is much larger than that of science graduates.

The immediate question that will be asked is "Does India need to produce more engineers when they are unemployed in thousands?" We know that many engineering graduates are unemployed in the country, they are vocal about it, and the authorities are worried about the situation. But many of us do not know that the number of unemployed science graduates is five times that of unemployed engineering graduates.

The imbalance in science-engineering ratio can be seen on its own merit. Both developed and developing countries need more engineers than scientists for obvious but different reasons. The developed countries need more engineers to man their industries, while, developing

countries need them in large number of planning and basic techno-economic studies, in addition to direct industrial requirements.

TABLE II
Estimated Unemployment
(April 1971)

Subject field	Total unemployed	Looking for job	Not looking for job
Science (Post-Grad.)	18,000	14,000	4,000
Science (Grad.)	103,900	80,600	23,300
Agriculture (Post-Grad.)	1,070	980	90
Agriculture (Grad.)	6,900	6,300	600
Engg/Tech. (Degree)	21,000	19,800	1,200
Engg/Tech. (Diploma)	36,000	34,200	1,800
Medicine (Degree)	5,300	4,400	900
Medicine (Diploma)	1,500	1,000	500
Veterinary (Degree)	800	760	40
Total	194,470	162,040	32,430
Women in totals	25%	16%	70%

Unemployment is not a measure of failure of education. It is a measure of weakness of the economic system which has failed to recognise trained manpower as an essential economic input. An economy cannot talk of self-reliance while leaning heavily on foreign assistance and keeping trained personnel idle.

This situation has not only rendered many educated and trained personnel unemployed, but has also led them to migrate to foreign countries, temporarily or permanently. It is estimated that about 15,000 of our engineers, 9,000 medical doctors and 6,000 scientists are abroad.

Although a large body of scientific and technical manpower has been built up, they constitute only about 0.5 per cent of the total labour force of the country. Yet a large number of them are out of employment. In the advanced countries, scientific and engineering personnel constitute one to two per cent of their labour force. India needs work planning for the unfinished tasks in which our trained personnel can contribute for economic and social progress.

Some of the scientific and developmental organizations were established in pre-independence era, such as the Geological Survey of India (1851); Botanical (1889), Zoological (1816), and Archaeological Sur-

veys (1861), the Survey of India (1878) for topographic surveys and boundary demarcation, Meteorological Department (1875), Asiatic Society of Bengal (1784), Indian Association for the Cultivation of Science (1876), Bose Research Institute (1917) to mention only a few. All these were expanded through the last twenty-five years, though full re-orientation has not been effected in some instances.

The Council of Scientific and Industrial Research (CSIR) was established in 1942, but its National Laboratories came into being eight years later. There are now thirty national laboratories of the CSIR dealing with a wide range of disciplines and products; the National Physical and Chemical Laboratories, Mechanical Engineering, Roads, Buildings, Metallurgy, Coal, Petroleum, Leather, Glass and Ceramics, Electronics, Public Health, Instruments, Food, Drugs, Medicinal and Aromatic plants, Marine Chemicals, Oceanography, Mining, Geophysics, Electrochemistry, and so on. The CSIR employs over 15,000 people including research personnel, administrative staff and other workers.

The Committee on Science and Technology in its Report (1969) observed : "A strong base for industrial research in the fields of chemical, mechanical and civil engineering, aeronautics, electronics, metallurgy, geophysics, coal and petroleum technology, glass, ceramics and silicate technology, food, etc. has been gradually built up. Based on the research and development work carried out in the CSIR laboratories, several products and processes have gone into commercial production."

Indian Agricultural Research Institute, started at Pusa in Bihar, is now located in Delhi. Constitutionally it is now under the Indian Council of Agricultural Research since 1964. The ICAR has a number of research stations, besides the IARI. The high yielding varieties of crops are chiefly the result of the research carried on by these organizations. The Rice Research Institute in Cuttack is also notable.

Medical research, nutritional research, virus research, and research on family planning drugs and devices are handled by several organizations within and outside of the Indian Council of Medical Research.

The Atomic Energy Commission, established in 1956, has progressed considerably through the years. Radio isotopes produced by the AEC are being used in agriculture and medicine, at home and abroad. Nuclear power stations are coming up with indigenous thorium as atomic fuel. Prospecting and operation of uranium mines in Bihar are with the AEC organizations.

The Defence Research and Development Organization has amply proved its utility during the hostilities with the neighbouring countries during the last ten years. The Defence R. & D. has greatly improved defence production and communication systems.

Indian Universities are mostly engaged in pure research, though some of them do contribute to developmental (applied) research. The Universities are generally starved of research funds.

A recent assessment indicates that between 1961 and 1971, the number of research workers in science and technology has increased from about 33,000 to 75,000. The estimates are shown in Table III :

TABLE III
Research Personnel in India (Estimate)

Field of qualification	1961	1971
Science	16,800	36,250
Agriculture and Veterinary	5,000	11,000
Engineering and Technology	7,700	17,500
Medicine	3,900	10,000
	33,400	74,750

Annual expenditure of research is about Rs. 1,730 million (1970-71) of which nearly 92 per cent are in the public sector. It is rather disquieting that the State Governments contribute only 6-7 per cent of the total R. & D. expenditure of the country. The State Government are mostly concerned with agriculture and animal husbandry research and that too in a niggardly way. Irrigation research in the State sector is also carried on in the same manner. There seems to be no reason why the State Governments shou'd not invest more on R. & D., and diversify their research activities.

The annual R. & D. expenditure in India shows the following trend :

TABLE IV
Estimated R & D Allocations

Year	Central sector incl. Univ.	State sector	Private sector	(Rs. crores)	
				Total	% of GNP
1958-59	26.05	1.00	0.15	27.20	0.21
1965-66	74.89	3.51	2.43	80.83	0.37
1968-69	105.74	6.90	7.07	119.71	0.40
1969-70	118.99	8.60	8.13	135.72	0.43

Source : Report on Science and Technology 1969, by the Committee on Science and Technology (Cabinet Secretariat).

Industries in the private sector have hitherto not laid as much stress on R. & D. as they should have. Some of them have, however, come forward for co-operative research in which certain groups of manufacturers (e.g., textile, jute, rubber, plywood, etc.) have established their research laboratories, mostly to solve their short-term (day to day) problems. Such co-operative research establishments get fifty per cent contribution from Government.

It may, however, be conceded that all industrial establishments cannot afford R. & D. on a large scale. A few large industries have, however, taken up R. & D. in recent years. In some other cases industrial laboratories do quality control rather than serious R. & D. for a technological break-through. Quality control, which is after all a form of R. & D., should be within the competence of most industries. Quality control laboratories are not as plentiful as they should be considering that India produces some Rs. 40,000 million of industrial goods per year, 60 per cent of which are produced in the large-scale manufacturing sector.

Foreign subsidiaries do undertake R. & D. work in their Indian counterpart. They pay our research scientists well. But much of the challenging R. & D. work has hitherto been left to the parent companies abroad. The situation is, however, gradually changing as the importance of R. & D. is coming to be more and more appreciated.

On the whole, India's 75,000 R. & D. scientists are supported by Rs. 1,730 million giving an average annual cost per scientist of Rs. 23,000 which includes his salary and other capital and recurring expenditure. If we consider the present price index, and devaluation of the rupee (to buy foreign equipment, books, journals, etc.), the present cost per scientist is as low as we had a decade ago.

Evaluation of the benefits of R. & D. is difficult. Faulty evaluation is dangerous. Some wrong evaluations have put Indian R. & D. in an embarrassing position in public. The scientific community (if there is one) in India appears to be little concerned with the evaluation of their work.

Value of R. & D. is reflected directly in production as well as indirectly in the shaping of a self-reliant attitude in the nation. Attempts have been made to evaluate the direct impact, but so far no satisfactory method of evaluation has been evolved.

For instance, the value of production through indigenous R. & D. has been compared with the total value of industrial production of the country. The additional production through R. & D. has thus worked

out very low, in fact less than one per cent. This conclusion is inevitable, but not a fair one. The total industrial output in the country is Rs. 40,000 million a year. They embrace multitude of items produced on the existing as well as imported technology. Most of them are not covered by R. & D. efforts in the country. To compare the limited spheres of production covered by R. & D. with the total industrial output is not fair. No country can show high proportion of R. & D.'s annual contribution to the total annual industrial production. But this kind of evaluation has been published and it has planted grave doubts in the public mind as to the wisdom of spending millions of rupees on R. & D. in India.

Evaluation of industrial production through R. & D. presents some inherent difficulties. One method employed by an organization was to multiply royalties and premia received in R. & D. laboratories by 100 to obtain the production equivalent. In other words, royalties and premia of one hundred thousand of rupees is taken to indicate a production of ten million rupee worth industrial production. This is a very *ad hoc* norm. Further, many R. & D. results of importance are given over free of charges, and therefore are totally omitted in the evaluation counts, if the above formula is applied.

Both these two vital points have been overlooked by some evaluation researchers who have come out with unduly damaging conclusions regarding R. & D. in India.

Certain areas of research which have benefited the country to a considerable extent do not fetch royalties and premia : such as irrigation and flood control, railway safety devices, armaments research, metallurgy for coinage alloys, radioactive minerals, foodgrains milling techniques (to save wastage), development of geo-physical survey methods, and so on.

How grossly we miss the point may be specifically illustrated by the fact that the Fuel Research Institute has unearthed 1,300 million tonnes of coking coal. This is a great national gain. This alone may be worth a few thousand million of rupees. But the Institute does not have anything to show in the way of royalties and premia, nor do they hold any patent rights. The entire benefit of it is annulled by the method which accepts royalties and premia as a multiplication factor in evaluation.

Besides economic values, there are critical areas of science and technology which cannot be overlooked in evaluation. They cover both civil and defence requirements. Many defence requirements concerning fighter planes and tanks, high speed tracer camera, infrared sensors, optical glass, high altitude instruments, and varieties of chemicals which

are of strategic value have been developed through research. These cannot be seen merely from a commercial angle.

One of the largest radio telescopes of the world built at Ootacamund is a testimony of self-reliance in electronic and sophisticated engineering. Manufacture of baby food from buffalo milk is a technological breakthrough, in addition to its being a great foreign exchange saver. The development of catalysts for fertilizer production has been a big step forward to help agriculture.

Even the value of production through indigenous R. & D. is not a matter of a simple balance sheet. A particular process or product developed through R. & D. may be of small value commercially but may be of great economic value if it generates or helps other industries. For instance, the indigenous tanning material developed by the Leather Research Institute of the CSIR would not make for a major money making business, but its impact on the entire leather industry of the country is very significant. Likewise, the development of optical glass makes a modest industry by itself, fetching only a few hundred thousand rupees. But the entire optical instrument industry that it supports is worth tens of million of rupees. More instances can be cited.

We look at R. & D. benefits in terms of production, profit, foreign exchange earning (or saving), import substitution, export promotion, and all such parameters of commercial concepts. Sociological and psychological values are forgotten. For instance, it is little appreciated that modern leather research has not only increased the national revenue through the industry but has also lifted the tanning industry from the 'untouchable' category to a socially acceptable technological category.

Indigenous R. & D. has a deep national significance. Take away R. & D., and the nation will cease to think in terms of self-reliance. Even a mere 20-25 years of R. & D. has enabled India to talk confidently of self-reliance, besides the fact of many industrial and commercial successes. This has removed the myth that technology and science are the prerogatives of advanced countries.

Much of India's techno-political ills stem from the weakness of her scientific community. We have many scientists and technologists, and many learned Societies, but not a well-knit scientific community. The Scientific Societies could do better.

The learned Societies have a very vital role to play. Conducting meetings and seminars, publishing journals and holding qualifying examinations are some of the mundane functions which many of them carry

out. The Societies are generally used as mouthpieces of individuals coming together in one place.

The Scientific Societies in India have hardly made any impression on the public or the Government or the academic or industrial institutions, with their objective judgments concerning national issues. The considered opinion of a Scientific Society on topics like educational reform, evaluation of R. & D., impact of foreign collaboration, industrial policy, etc. would not go unheeded if the Society as a whole would have delved into the problems with the help of the intellectuals and professionals who are the members.

Such integrated activities alone can build up a scientific community. Besides the study of the national scientific and technological problems, the Societies are to train the scientific community for objective appraisal of scientific work in India. We have no scientific critics. Criticism of scientific work is not a personal attack on a scientist or a group of scientists or a scientific organization. Evaluation of scientific work by scientific critics alone can improve the climate and direction of research and development.

The Government of India adopted a Scientific Policy Resolution in 1958. A resolution of this kind is an acknowledgement of the neglect (in some respects) in the past, and Government's desire and determination for lending its generous support to science and technology. The text of the Scientific Policy Resolution is given below :

1. The key to national prosperity, apart from the spirit of the people, lies, in the modern age, in the effective combination of three factors, technology, raw materials and capital, of which the first is perhaps the most important since the creation and adoption of new scientific techniques can, in fact, make up for a deficiency in national resources, and reduce the demands on capital. But technology can only grow out of the study of science and its applications.

2. The dominating feature of the contemporary world is the intense cultivation of science on a large scale, and its application to meet a country's requirements. It is this, which, for the first time in man's history, has given to the common man in countries advanced in science, a standard of living and social and cultural amenities, which were once confined to a very small privileged minority of the population. Science has led to the growth and diffusion of culture to an extent never possible before. It has not only radically altered man's material environment, but, what is of still deeper significance, it has provided new tools of thought and has extended man's mental horizon. It has

thus influenced even the basic values of life, and given to civilization a new vitality and a new dynamism.

3. It is only through the scientific approach and method and the use of scientific knowledge that reasonable material and cultural amenities and services can be provided for every member of the community, and it is out of a recognition of this possibility that the idea of a welfare state has grown. It is characteristic of the present world that the progress towards the practical realisation of a welfare state differs widely from country to country in direct relation to the extent of industrialisation and resources applied in the pursuit of science.

4. The wealth and prosperity of a nation depend on the effective utilization of its human and material resources through industrialisation. The use of human material for industrialisation demands its education in science and training in technical skills. Industry opens up possibilities of greater fulfilment for the individual. India's enormous resources of man power can only become an asset, in the modern world when trained and educated.

5. Science and technology can make up for deficiencies in raw materials by providing substitutes, or, indeed, by providing skills which can be exported in return for raw materials. In industrialising a country, a heavy price has to be paid in importing science and technology in the form of plant and machinery, highly paid personnel and technical consultants. An early and large development of science and technology in the country could, therefore, greatly reduce the drain on capital during the early and critical stages of industrialisation.

6. Science has developed at an ever-increasing pace since the beginning of the century so that the gap between the advanced and backward countries has widened more and more. It is only by adopting the most vigorous measures and by putting forward our utmost effort into the development of science that we can bridge the gap. "It is an inherent obligation of a great country like India, with its traditions of scholarship and original thinking and its great cultural heritage, to participate fully in the march of science which is probably mankind's greatest enterprise today.

7. The Government of India have accordingly decided that the aims of their scientific policy will be :

- (i) To foster, promote, and sustain by all appropriate means, the cultivation of science, and scientific research in all its aspects—pure, applied and educational;
- (ii) to ensure an adequate supply, within the country, of research scientists of the highest quality and to recognise their work as an important component of the strength of the nation ;

- (iii) to encourage, and initiate, with all possible speed, programmes for the training of scientific and technical personnel, on a scale adequate to fulfil the country's needs in science and education, agriculture and industry, and defence;
- (iv) to ensure that the creative talent of men and women is encouraged and finds full scope in scientific activity;
- (v) to encourage individual initiative for the acquisition and dissemination of knowledge, and for the discovery of new knowledge, in an atmosphere of academic freedom;
- (vi) and, in general, to secure for the people of the country all the benefits that can accrue from the acquisition and application of scientific knowledge.

The Government of India have decided to pursue and accomplish these aims by offering good conditions of service to scientists and according them an honoured position, by associating scientists with the formulation of policies, and by taking such other measures as may be deemed necessary from time to time."

Whether the Scientific Policy Resolution (SPR) has been implemented was mooted in three conferences of Scientists, Technologists and Educationists, the last conference being held in November 1970. It was generally felt that the S.P.R. has not been satisfactorily implemented.

It cannot, however, be overlooked that the Science Policy Resolution is a broad ideal in spirit, and not an action programme. Thus, evaluation of the implementation of the S.P.R. cannot be concretised. Though some sceptical opinions have been expressed, some of the progress can be seen in concrete terms, such as, two and a half times increase in scientific and technical manpower between 1960 and 1970, and a similar increase of research personnel during the period. Considerable technological base has been built up. Thus the opportunities for cultivation of science and for research have been greatly boosted, as desired in the S.P.R.

Inventive talent has been sought to be encouraged through the Inventions Promotion Board and other agencies. Our attention is generally focussed on high-power R. & D. establishments. This is only one part of the total. It is, however, not realised that many individuals work quietly and come up with useful inventions and innovations. Monetary aids and prizes are offered to them. What is needed to be organised is a number of centres providing testing and experimental facilities to the inventors.

The main complaint of scientists has been that the spirit of the Scientific Policy Resolution has not been observed in respect of the scientists' place in the official hierarchy and in society. Scientists are still on tap, not on top, it has been alleged. Administrators decide the fate of the scientists, and wield the power. The society, therefore, considers the administrators superior to scientists.

TABLE V

*Age and Median Salary in Indian Administrative Service
and among Scientists*
(Basic Salary in Rupees per month)

Age (Years)	I.A.S. (Rs. p.m.)	Scientists (Rs. p.m.)
25	468	490
30	808	610
35	1175	766
40	1488	877
45	1697	1051
50	1795	1268
55	1855	1360

Source : Technical Manpower, September, 1971.

There is, however, a definite move now to involve active scientists and engineers in the national planning processes. This is a recent development. The establishment of the Department of Science and Technology (DST) and the National Committee on Science and Technology (NCST), both of which came up at the Centre in 1971, seek to open a dialogue with the scientists in the country. The NCST, with its scientific and technological members, will operate in cooperation with other scientists and technologists, to identify the national priorities in R. & D. and production. The Planning Commission is an active participant, and would be a major user of the ideas to be evolved by them.

Identification and execution of purposive R. & D. for technological self-reliance is, however, not an end in itself. The fruits of R. & D. must be applied and lead to increased production. Moreover one must take a balanced view of the whole question of self-reliance. It has to be realised that technology knows no frontiers ; even the developed countries are constantly borrowing from each other to keep abreast of new

developments. But they are borrowing as equals whereas the transactions between the developed and the developing are entirely a one-way affair, throwing a substantial burden in terms of foreign exchange remittances. There is some international concern about this burden, as reflected in the several reports commissioned on this subject by the U.N. Economic and Social Council, UNCTAD and OECD. There is also a parallel interest in some developing countries like India which have established a R. & D. base in reducing this burden by eliminating unnecessary imports of technology. An effort is currently under way in India to terminate technical collaboration agreements which are judged to have served their purpose, and to organise buying of new technology to avoid repetitive imports. These are sensible steps to avoid carrying an excessive burden of royalties and fees but this approach can easily be pushed too far.

In a recent lecture in Delhi, Prof. Blackett put the question in the correct perspective when he pointed out that "Science is not a magic wand to wave over a poor country to make it a rich one." In view of the extreme shortage of funds for investment in the developing countries it is extremely important to see that resources are not wasted on re-invention, re-discovery and re-deployment or on research which has no chance of being followed up by the other expensive and time-taking steps required to translate laboratory results into commercially viable propositions. The smaller the indigenous technological base of a country, the greater will be the adverse balance of payments for royalties and know-how. Far from such an adverse balance being a sign of inefficiency, it may well be an indication that the country's technological resources are being wisely used in adapting borrowed know-how.

Science and technology in India would be thriving only for a prestige value if it is divorced from economic consequences.

The National Research Development Corporation (NRDC) has also to play a more active role by supporting and promoting pilot plant work. The R. & D. laboratories need to upscale their research results through pilot plant trials which are usually beyond their means. The NRDC has to evaluate the promising laboratory results and find appropriate industry to finance and provide other facilities to set up pilot plants. Or the NRDC itself may choose to finance some of the pilot plants. This is a vital task of the NRDC, in addition to selling of patents and processes evolved by the R. & D. laboratories.

India is a country endowed with rich natural resources and trained manpower but its people are poor. The anomaly arises out of her vacillation in self-reliant undertakings, and her inability to accept trained manpower as a vital asset for economic input. Research and Development

(R. & D.) get an allocation of only 0.5 per cent of G.N.P., while the UNCTAD desired an allocation of at least one per cent for developing countries, a few years ago. Research allocations appear to be guided by arbitrary financial constraints, and not by the need and capacity of the country. More than 150,000 scientists and technologists within the country and 30,000 abroad are looking for employment in R. & D., industry, teaching and other vocations. Expansion of science and technology would mean wise investment that could pay off in the long run, and accelerate economic and social progress.

Chapter V

THE PERFORMING ARTS

The first post-Independence development in the Indian art-scene were discernible only in the early fifties. Initially, they branched off into two directions—towards recognition, revaluation and preservation of traditional and classical forms ; and a critical observation and analysis of the contemporary Indian reality. While these developments in most of the arts were primarily regional and local, Indian music, traditionally at a remove from the locally immediate, came to achieve a wider dissemination creating new audiences in the country and abroad. In the fifties, Calcutta had at least five so-called 'music conferences' every year, bringing the best classical musicians in the country to a mass audience who bought tickets at reasonable prices and walked into the auditorium—a departure from the earlier convention of the select audience at a rich patron's *jalsaghar*. The new popular interest in forms, so long considered remote and elite-oriented, demanded opportunities for even greater participation ; and soon the music halls were relaying the programmes to crowds that squatted on the streets through nights after the vehicles were off the streets. In the preliminary phase of this popular extension of classical music, there was no perceptible lowering of standards ; but higher standards were expected when artists performed at a closed auditorium for an audience invited by a rich patron. (Incidentally, even now these patrons are traditional patrons, carrying on a family tradition ; very few new patrons have emerged from the industrially rich classes). The music conferences logically led to the music schools. While the first centres for systematic education in Indian music, already in existence in Lucknow, Poona and Banaras, found a fresh lease of vitality, new centres developed all over the country, with traditionally trained musicians training up a new generation of musicians, outside the rigid conventions of traditional schooling.

The democratization of Indian classical music and dance traditions was further stimulated by the initiative taken by the Sangeet Natak Akademi and the sustenance they have consistently provided to institutions and organizations concerned with the preservation and revaluation of classical forms. A revivalist trend had touched the classical dance forms in the thirties, with E. Krishna Iyer's presentation of Balasaraswati

in 1934 at the All India Music Conference at Banaras, Vallathol's Kerala Kala Mandalam in 1930, Menaka's Nrityalayam at Khandala in 1938, and Guru Atamba Singh's arrival at Shantiniketan in 1939. But the Akademi has since developed a pattern of preservation, with its own research projects, recordings and film records, and its involvement in the activities of Rukmani Devi's Kalakshetra at Adiyar, the Kerala Kala Mandalam, Mrinalini Sarabhai's Darpana at Ahmedabad, the Kathak Kala Kendra, and other smaller organizations. A criticism levelled against the Akademi is that its interest is more antiquarian than experimental or creative. But an interest limited to preservation and propagation can be the only rationale for state initiative in the arts ; for otherwise there is always the danger of state intervention or dictation in the creative exploration of art (a danger which may assume more obvious proportions in the near future, from the recent state interest and sponsorship in the performing arts). The Akademi and private interest have functioned in perfect harmony in the post-Independence 'discovery' of at least four major classical forms—the Kuchipudi, the Orissi, and more recently, the Yakshagana and the Chhow—and the rich heritage of folk and tribal forms.

Another instance of state support is provided by the Festival of Folk Dances in connexion with the Republic Day celebrations in the capital every year. Writing in January, 1968, Mr. Asok Mitra complained "With each year that passes, the organizers of the folk dance festival in the capital are increasingly hard put to it to present authentic folk dances that will bear the unmistakable impress of universal participation, involvement in the creation of community wealth and re-establish their inextricable associations with the changing seasons. What is more, the purity of the original inspiration drawing its sap from the old forms of organization of community labour, of common tribal property, is rapidly breaking down . . . The compulsion of the original or primeval inspiration is rapidly disappearing. On the other hand, intolerance masquerading as religious reform and temperance is busy at work. One can see it very plainly in the attempt to segregate the sexes in the traditional dance . . . It is also (considered) sinful to be unrestrained and give oneself to the abandon of the dance or be over-gay. One is insidiously told that these are symptoms of a subhuman culture. One is also told that men and women must dress properly for a tribal dance, that is, wear clothes of adequate length . . . This not only impedes movement and spontaneity, but threatens to deprive the tribal dance of much of its glory and strength, for, who would get the best out of a Naga or Gond dance, if those magnificent, glistering, sinewy, muscular, fascinatingly strong, coffee-brown bodies were to be draped in tawdry chintz or, worse still, if, for instance, in a Santhal or Bhil dance, the intensely powerful arches of women's backs were to be obliterated by a superfluity of cloth !"¹ The intrusion of urban fashions and values is

bound to violate the naked virility of the tribal forms, and some of these forms have been the first victims of the urbanization of village communities. In spite of the Akademi's best efforts to uphold scientific attitudes to folk culture, pruderies and a civilizing zeal have corrupted and distorted many of these forms. The commercial exploitation of folk tunes in the cinema, in broadcasts, and in city concerts, and the exposure of the closed village community to a different musical element through their exposure to broadcasting and the Bombay cinema have managed to threaten the continuity of folk musical traditions. While some folk musical forms, like the Bihu in Assam, the Baul in Birbhum, the Tusu in Manbhum and Varahabhum have proved their capacity to absorb political, economic and social experiences, and yet retain their integrity, a large number of forms have simply died out under similar pressures. It has taken all these years to develop a genuine respect and admiration for folk forms, and in the meantime quite a lot of them are lost to us through neglect and mishandling.

The classical traditions, however, have been better preserved, primarily through the efforts of two generations of artistes, the older masters who have accepted the new conventions of training, and a second generation, seeking a balance between tradition and improvisation. The urge to improvise and the desire to reach out to uninitiated audiences became more compelling in the newly established contacts with the West. Ram Gopal recounts an advice from Gandhi—"Wouldn't your message be clearer if you prefaced your performance with a short talk? That would open the layman's eyes to this new religious experience that you unfold before him"—way back on "a rather warm Delhi evening in 1945". The initiatory introductions, originally intended for listeners abroad, have since proved to be aids to the response of the new audiences drawn to the classical forms, serving as a kind of necessary bridge to bring the new audiences closer. The exposure to Western musical traditions and to the new audiences have not yet affected the formal purity of the classical forms. Innovations have been more evident in performance techniques than in form—in the experiments in *jugal-bandis*, in the split up of the *alaap-jor-jhala* continuum, in the predominance of the *thumri ang* in the *Kheyal*, in Damayanti Joshi's bold elimination of the *bol* recitals preceding the footwork enactment and most strikingly, in the verbal initiations so economically and intelligently provided by Indrani Rehman, Mrinalini Sarabhai, M. Krishnamurthi (who introduces Yamini Krishnamurthi), and Ravi Shankar. New *Raagas* have been composed by Ravi Shankar, Ali Akbar Khan and Vilayet Khan, but strictly in the spirit of traditional creativity.

While the rapport between the musicians and the new audiences have developed progressively, the artistes have thought of prospects of still closer connexions. Vilayet Khan, in 1960, proposed a cafe concert hall

—"Some of us can buy it up. And then I shall approach Ali Akbar, Ravi Shankar, Ghulam Ali and others with the request that we shall tape-record their music, one hour for each, of course we shall pay them. The tapes will be replayed in the restaurant. People who like classical music will visit it by paying a small entry fee—a rupee or two. They will listen to music as long as they like to . . . In time to come, there will be live programmes once a week and even daily".² Vilayet Khan's dream was a refutation of anti-democratization fears, and an implicit recognition of the sustaining capacity of the new mass audiences.

One of the new tendencies in classical Indian music has been challenged by Menuhin and Ali Akbar Khan—the trend of orchestration. Menuhin, in 1964, told a Press correspondent in London, "Overlooking recent, sophisticated trends in the West and confusing 'westernization' with 'modernization', a particularly untimely and embarrassing effort has been made to harness Indian musicians into 'orchestras' requiring 'conductors'. This does violence to the very nature of Indian classical music, and it is curious that owing to the time-lag, this is happening just when Western music has begun to shun the supercolossal . . . Any duplication of instruments merely adds dead weight and hampers the infinitely delicate, sinuous, ornamental qualities of the Indian musical idiom". Speaking to Dr. Charles Fabri around the same time, Menuhin was even doubtful as to "whether we can use Indian instruments in our music, though you can never tell . . . Perhaps we could use some of their wonderful percussion instruments, some of the Indian drums—but that would take time".³ Orchestration with Indian instruments has been encouraged by the commercial cinema, and the highly derivative pop culture, more and more in recent times.

While the schools have provided for most of the *gurus*, and Akademi Fellowships for a distinguished few, the younger musicians and dancers find a career in their fields precarious and unrewarding. The commercial cinema offers temptations now and then, and there is the lure of foreign scholarships or invitations on teaching-cum-performance projects. But the largest proportion of trained young dancers are absorbed "as dance teachers in academic institutions where dancing is regarded as a substitute for PT . . . Others opt for the Song and Drama Division—a Government publicity unit".⁴ Even Indrani Rehman says, "The dance cannot thrive in India until a professional theatre is established".⁵ A sort of solution lies in the development of ballet companies. But by now it is more or less obvious that a mixture of classical forms does not produce a composite ballistic form. There are only a few classical forms that lend to the ballistic organization, and the Kathakali is undoubtedly the most significant of these. The recent experiments of the Udyogamandal company, especially its exploration of the Sohrab-Rustum legend as a departure from the exclusively Hindu stock

and yet within the conditions of the authentic Kathakali mode, have revealed the inherent comprehensiveness of the balletic style in Kathakali. Kathakali can be a far more viable medium for contemporary thetic experience than the 'assorted' choreography still so painfully common in Indian ballet. But the language of classical gestures and *mudras* still remains a language too exclusive for a national audience ; and the only ballets that find appreciation are those that maintain an unhappy interlacing of the absolutely elementary dance patterns and the crudest representational, linked together by songs—basically the form of the so-called Tagore dance dramas. Some of Udayashankar's pre-Independence works, his later *Ramleela* and portions of *Prakriti Ananda*, Mrinalini Sarabhai's *Manushya*, and some works of Shanti K. Bardhan showed maturer blending of forms and the impact of the choreographer.. But these are the exceptions rather than the rule.

The second post-Independence tendency, that of a critical commitment to social reality, was more conspicuous in the theatre, and there too as an inheritance from the creativity associated with the Indian People's Theatre Association in the mid-forties and late-forties. The explosion of violence in the left political activity, the ban on the IPTA soon after Independence, underground theatrical activity involving a whole new generation of politically committed artistes led on to a quieter and more objective phase in the fifties. While Bengal had cut itself off almost entirely from what was then assumed to be the thetic tradition and actually an over-melodramatized variant of the Victorian actor-manager dramaturgy, Marathi theatre's commitment to realism, evident early in the works of B. V. Warerkar, was gradually strengthened in the early fifties, in a phase when there was no professional theatre activity.

The two directors and the two companies, both non-professional, that opened the post-Independence account in the theatre in Bengal were Sombhu Mitra and Utpal Dutt and their companies, Bohurupee and the Little Theatre Group (now reorganized as the People's Little Theatre). Significantly enough, the LTG was founded on August 15, 1947, with a performance of Shakespeare's *Julius Caesar*; while Bohurupee came into being in 1948, with a revival of *Navanna* (a play written by Bijan Bhattacharya, and directed by the playwright and Sombhu Mitra in 1944 for the IPTA, a play that historically started the New Theatre Movement in the State). Sombhu Mitra reacted against the degenerate naturalism and deterministic didacticism of the plays of the period. The first few Bohurupee productions were contributions towards a more scientific and objective naturalism. Working with rather weak scripts, Sombhu Mitra managed to achieve a distinct productional form in a

sensitive coherence between acting style and a highly sophisticated, selective and economic stage design. He depended more on a few structural forms and outlines suggesting the locale than on a stage cluttered with objects, and in the choice allowed greater concentration on the human figures. In his adaptation of Ibsen's *A Doll's House* in *Putulkhela*, a Tapas Sen-Khaled Chowdhury collaboration on sets and lighting produced visual patterns working their way into the situations worked out primarily in terms of controlled naturalistic acting. But Mitra's production of Tagore's *Charr Adhyaya* was significant on another level, as an ideological play that challenged the philosophy of anarchism as it had been taken for granted in Bengal. Tagore's daring expose of the dehumanization inherent in the anarchist movement provided very little scope for the theatrical. But Sombhu Mitra treated his dramatization of the novelette with a profound sense of the properties of the work itself, so that words and their rich interplay and moments of human tenderness and passion shattered by stark violence produced a primarily verbal theatre which has to be considered on its own terms. One is still haunted by the darkness and the single beam from a torchlight that snap the passionate encounter of Ela and Atin in the secret den, or the strange violence of a revolver shot that appears so terribly incongruous in a loneliness intimately shared by the two of them. But the words in the meaningful way they are spoken conjure up the beauty of a relationship that is tragically destroyed by the egoism and cruelties that had served for the only politics of the anarchist movement 'so uncritically idealized in Bengal. It needed guts to produce the play at the time it was produced, for it came soon after the first phase of left adventurism in this country. *Charr Adhyaya* opened up the possibilities of theatricalizing the lyrical symbolism of Tagore's prose, and led directly to another Tagore play, *Raktakarabi*. The directorial coherence that went into the production, with the able support provided once again by the Tapas Sen-Khaled Chowdhury collaboration, has left *Raktakarabi* a starting point for a new phase in the Bengali theatre. For in *Raktakarabi* in 1954, Mitra emerged as the director-interpreter, in a creative role, comprehensive and intensely original, as symbols became theatric images and convincing human experience at the same time. *Raktakarabi*, as Mitra treated it, was an expressionist exposure of the dehumanization in an industrial-technological-capitalist world. Bohurupee's finest achievements to date lie within the genre of the poetic archetypal.

Utpal Dutt, who made a fast transition in the early fifties from Shakespeare and Shaw in English language productions to Ibsen and Gorky in Bengali, and then to a left wing theatre, represents, in his spectacular, large and propagandist productions, the other extreme in Bengali theatre. With a mastery of technique and ensemble acting, Dutt

has developed, especially in *Manusher Adhikaarey* and *Tiner Talwar*, a maturer historic insight and objectivity. With collaborator Tapas Sen, Dutt has used to great imaginative effect the poor technical resources available, improvising technically to build breath-taking illusionism in *Angaar* and *Kallol*, and more subtle tones elsewhere. Dutt's handling of the stage and human materials remains an object lesson in a distinct kind of 'poor theatre'.

In the sixties, a number of new non-professional companies emerged ; Nandikar, Nakshatra, Theatre Workshop, and Anaamika (producing in Hindi), along with many others not so significant, claimed a common identity as contributing to the *Navanatyay andolan* (the New Theatre Movement). These companies have similar organizational patterns (non-profit, non-professional, performing in rented theatres irregularly, a persistent unfavourable economy in the face of overwhelming odds) and similar emotional and experimental urges (striving towards original theoretic forms of expression). There is something heroic in the role of these companies, living precariously and producing works of originality.

The other theatre centres in the country are financially better placed and have entered on a creative phase more recently, only in the last decade. Playwrights Badal Sircar, Vijay Tendulkar, C. T. Khanolkar, Girish Karnad, Mohan Rakesh, and Mohit Chattopadhyay, and Directors E. Alkazi, Satyadev Dubey, Rajinder Nath, Om Shivpuri, Vijaya Mehta, Arvind Deshpande B. V. Karanth have been responsible for this resurgence of the language theatres. In Bombay, P. L. Deshpande, the playwright-actor, was the link between theatre before Independence and after. Deshpande uses the musical tradition in the Marathi theatre and satire to come to terms with the changing economic landscape of his part of the country. His *Tuze Aahe Tujapashi* has been described by critic Nadkarni as "centrally occupied with a clash of values which is peculiar to post-Independence India". His one-man performance *Batatyachi Chal* is rooted in the reality of a typical Marathi slum, and his other one-man performances have fun and entertainment, with an element of satire. Satire predominates in his latest work, *Vat Vat*. As a playwright, Tendulkar is more significant in his range and social concern—in his passionate involvement in social cruelty in *Shantata ! Court Chaalu Ashe* and *Gidhade*. Arvind Deshpande and Sriram Lagu have brought into their productions of these two plays a tremendous dramatic force and social purposiveness. The Gujarati theatre has been inspired by the Marathi achievements, and has produced playwright Madhu Rai and director Pravin Joshi. The revival in the Hindi theatre should be linked primarily to the activities in New Delhi of the National School of Drama under Ebrahim Alkazi, the Theatre Unit in Bombay, and Anaamika in Calcutta, all in the early sixties. At the moment Delhi

has at least two vitally important non-professional companies in Abhiyan and Dishantar. The Theatre Unit production of Dharamvir Bharati's *Andha Yuga* in 1962, closely followed by Mohan Rakesh's *Ashaadh ka ek din* in an Anaamika production, started off the new phase in the Hindi theatre. Rakesh's concern, initially in a framework of history, and directly in *Aadhey Adhurey*, with the "crisis of thinking man, with a "broken Kalidasa", a man "who thinks too much", and a woman who seeks a wholeness which escapes her and turns from man to man in a desperate quest only to find masks that fall off to reveal the same man, weak and crippled, brings a new seriousness to the Hindi theatre, long plagued by domestic comicality.

An interesting development in the second half of the sixties has been the extensive translations of plays and productions from one Indian language to another. While European and American plays in translations and adaptations had provided the staple earlier as a departure from the more conventional plays of the past, a transition waiting for the emergence of really new playwrights, the new playwrights had emerged in the early sixties. But the exchange of plays became easier only after 1965—after the national language issue had erupted to self-immolations and riots, had reached a climactic, and then settled down for some time at least. Delhi and Bombay have responded better to the national drama than Calcutta which has remained more parochial. While the translations of Badal Sircar's *Evam Indrajit*, or Girish Karnad's *Tughlag* have revealed connexions between minds and temperaments separated by geographical, linguistic and cultural differences, they have awakened the linguistic communities to the attitudes of other linguistic communities. The troubled conscience of the middle class Bengali intellectual, disturbed by international political problems, the broad human sympathy, especially the sympathy for woman, in the Marathi playwright, and the mythical-historical orientation of the Hindi playwright represent different cultures altogether, now brought closer by the common idiom of the theatre.

The return to Indian connexions has also meant the return of the modern theatre to the grass roots, to the traditions of the folk theatre. Sheela Bhatia's *Heer Ranjha*, Shanta Gandhi's *Jasma Odan*, Habib Tanvir's *Mrichhakatika* in the Navtangi style were steps in a direction that led to Girish Karnad's use of the Bhagavata style in *Hayavadana*, Tendulkar's use of the *tamasha* in *Sari ga Sari*, and Utpal Dutt's work in the professional *Jatra*. The turning to the folk idioms has brought to playwrights and directors alike a richer stock of techniques and devices, producing for further experimentations. The earlier myth of an Indian theatre to be synthetically built out of speculations on the Sanskrit theatre and the dance idioms of the South has now given way to a

search for a more open theatre : individual variations on the theme range from Alkazi's open air spectacles and Sombhu Mitra's visual extensions within the proscenium to Badal Sircar's *angan mancha*, an intimate theatre in the round, with an audience of about a hundred sitting around an unraised space (inspired by Grotowski's similar theatre).

The Performing Arts in India have sought relevance for their works in a living connection with the changing patterns of life in post-Independence India : new forms aiming at greater absorption and communication have been born out of the new challenges. But the problem of maintaining standards in the face of forces bent on destroying aesthetic values is made still more serious in the conditions of poverty and uncertainty within which the arts operate. The State has been generally understanding, but patronage from more industrial houses and other sources may serve to give the performing arts in India a stabler economic position, allowing them greater scope for adventures, and a more uncompromisingly critical confrontation with reality.

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1. Asok Mitra, *Folk Dances : Today and Tomorrow* (Republic Day Supplement, *The Statesman*, 1968).
 2. News item—Ostad Vilayet Khan Speaks on Music to Pressmen. (*Amrita Bazar Patrika*, 26 May 1960).
 3. Charles Fabri, *Musicians Compare Indian and Western Music*, (*Hindusthan Standard*, 8 March 1964).
 4. Usha Chettur, *Dancing as a Career can be Unrewarding in India* (*The Statesman*, 18 May 1968).
 5. Indrani Rehman (*Illustrated Weekly of India*, 16 November 1963).

PART IV

CHRONOLOGY OF INDIAN HISTORY



TABLE II

CONVENTIONAL[†] ESTIMATES OF NET NATIONAL PRODUCT BY
INDUSTRY OF ORIGIN—PERCENTAGE DISTRIBUTION
(At 1948-49 Prices)

Industry Groups	1948-49	1950-51	1955-56	1960-61	1965-66*	1966-67*	1967-68*	1968-69*	
	1	2	3	4	5	6	7	8	9
1. Agriculture, animal husbandry and ancillary activities **	49.1	49.0	47.9	46.4	39.0	38.4	41.6	40.0	
2. Mining, manufacturing and small enterprises	17.1	16.7	16.8	16.6	18.3	18.2	16.5	16.7	
3. Commerce, transport and communications	18.5	18.8	18.8	19.2	20.1	20.0	19.3	19.4	
4. Other services †	15.5	16.5	18.2	23.4	24.7	24.4	25.1		
5. Net domestic product at factor cost	100.2	100.2	100.0	100.4	100.8	101.3	101.3	101.2	
6. Net factor income from abroad	(—)0.2	(—)0.2	0.0	(—)0.4	(—)0.8	(—)1.3	(—)1.3	(—)1.2	
7. Net national product at factor cost	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

† Estimates are described as "conventional" to distinguish them from the "revised" series.

* Provisional.

** Including forestry and fishery.

† Comprising professions and liberal arts, government services (administration), domestic service and house property.

TABLE III
AGRICULTURAL PRODUCTION: AREA AND YIELD—INDEX NUMBERS

Base : 1949-50 to 1951-52 (average) = 100

Year†	Area*	Index Numbers of	
		Production*	Yield per hectare‡
1	2	3	4
1950-51	100.0	100.0	100.0
1951-52	101.8	100.7	98.9
1955-56	113.8	122.2	107.4
1960-61	121.2	142.4	117.5
1965-66	122.0	144.3	118.3
1966-67	122.8	144.9	118.0
1967-68	124.5	154.2	123.9
1968-69	126.9	167.3	131.8

† The agricultural year is July—June.

* Three-year moving averages.

‡ Derived from columns 2 and 3.

TABLE IV
CULTIVATED AND IRRIGATED AREA

Year	Net area sown	Total cropped area	(million hectares)	
			Net area irrigated	Gross area irrigated
1948-49	98.4	111.9	18.9	20.2
1950-51	118.7	131.9	20.9	22.6
1955-56	129.2	147.3	22.8	25.6
1960-61	133.2	152.8	24.7	28.0
1965-66 (P)	136.2	155.3	26.7	31.1
1966-67 (P)	137.0	156.6	27.5	32.8

(P) : Provisional.

TABLE V
AREA UNDER PRINCIPAL CROPS

(million hectares)

Crops	1950-51	1960-61	1965-66*	1968-69**
Rice	30.8	34.1	35.3	37.0
Wheat	9.7	12.9	12.7	16.0
Other cereals	37.7	45.0	43.1	46.1
Pulses	19.1	23.6	22.1	21.3
Foodgrains	97.3	115.6	113.2	120.4
Sugarcane	1.7	2.4	2.8	2.5
Oilseeds	10.7	13.8	14.9	14.6
Cotton	5.9	7.6	7.9	7.7
Jute	0.6	0.6	0.8	0.5

* Partially revised estimates.

** Final estimates.

TABLE VI
PRODUCTION, IMPORTS AND TOTAL AVAILABILITY OF FERTILIZERS

		(In '000 tonnes of nutrients)						
		Nitrogenous Fertilizers (N)			Phosphatic Fertilizers (P_2O_5) (including bonemeal)			Potassic Fertilizers (K_2O)*
Production	Imports	Total Availability	Production	Imports ‡	Total Availability	Imports	Total Availability	Imports
-1	-2	-3	-4	-5	-6	-7	-8	-9
1951-52	11*	29	40	16*	—	16	8*	
1952-53	46*	43	89	14*	—	14	3*	
1953-54	67*	17	84	14*	1*	15	9*	
1954-55	71*	21	92	23*	—	23	17	
1955-56	82*	54	136	19*	—	19	11	
1956-57	82*	56	138	18*	—	18	11	
1957-58	80	111	191	32	—	32	13	
1958-59	82	99	181	36	2	38	22	
1959-60	84	164	248	48	9	57	34	
1960-61	101	119	220	61	—	61	23	
1961-62	152	142	294	72	—	72	32	
1962-63	183	252	435	88	10	98	40	
1963-64	222	226	448	126	12	138	64	
1964-65	237	214	451	133	12	145	57†	

TABLE VI—(Continued)

Nitrogenous Fertilizers (N)						Phosphatic Fertilizers (P_2O_5) (including bonemeal)			Potassic Fertilizers * * (K_2O)		
Production	Imports	Total Availability	Production	Imports †	Total Availability	Production	Imports †	Total Availability	Imports		
1	2	3	4	5	6	7	8				
1965-66	232	309	541	123	12	135	94†				
1966-67	308	630	938	151	150	301	143†				
1967-68	367	868	1235	197	349	546	270				
1968-69	545	842	1387	210	138	348	213				
1969-70	716	667	1383	222	94	316	120				

* Figures relate to calendar years.

** There is no local production.

† Imports made for Central Fertilizer Pool.

‡ July-June basis (as imports were made by the S.T.C.).

TABLE VII

NET AVAILABILITY OF CEREALS AND PULSES

Year	Popula- tion (millions)	Produc- tion (million tonnes)	Cereals			Pulses	Per caput net availability per day			Cereals (in ounces) Total	Pulses (in grams) Total
			Net imports (million tonnes)	Withdrawals (-) from Govt. stocks (million tonnes)	Net avail- ability (million tonnes)		Cereals	Pulses	Total		
1	2	3	4	5	6	7	8	9	10	11	13
1951	363.4	40.02	4.80	(+).59	44.23	8.03	11.76	2.13	13.89	333.5	60.5
1955	390.2	51.60	0.60	(-).75	52.95	10.10	13.11	2.50	15.61	371.8	70.9
1960	432.7	56.77	5.13	(+).40	60.50	10.33	13.47	2.30	15.77	382.0	65.2
1965	426.8	67.32	7.45	(+).06	73.71	10.86	14.63	2.16	16.79	414.8	61.1
1966*	498.9	54.45	10.34	(+).14	64.65	8.55	12.52	1.66	14.18	355.0	47.0
1967*	511.3	57.65	8.67	(-).28	66.60	7.30	12.59	1.38	13.97	356.9	39.1
1968*	524.1	72.58	5.69	(+).19	76.28	10.58	14.03	1.95	15.98	397.7	55.2
1969*	537.2	73.15	3.85	(+).036	76.54	9.12	13.80	1.64	15.43	390.9	46.5
1970*	550.7	78.83	3.61	(+).1.18	81.26	10.23	13.91	1.80	15.71	394.3	50.9
											445.2

* Provisional.

- Notes : 1. Population figures relate to mid-year revised estimates. These estimates have been prepared by the Office of the Registrar General of India.
2. Production figures relate to agricultural year July-June; 1951 figures correspond to the Production of 1950-51, and so on for subsequent years. These estimates up to the year 1959-60 are adjusted with 1960-61 Revised Production Index as the base. Figures up to 1964-65 are Fully Revised Estimates, those for 1965-66 to 1967-68 are Partially Revised Estimates and those for 1968-69 are Final Estimates of Production.
3. Net production has been taken as 87.5 per cent of the gross production, 12.5 per cent being provided for feed, seed requirements and wastage.
4. Figures in respect of change in stocks with traders and producers over a year are not known. The estimates of net availability given above should, therefore, be taken to be strictly equivalent to consumption.
5. Net availability = Net Production + Net Imports + Change in Government Stocks.

TABLE VIII

POWER—INSTALLED CAPACITY AND
PER CAPITA CONSUMPTION—ALL-INDIA

Year	Installed generating capacity public utilities ('000 kW)					Annual per capita consumption (kWh)
	Steam	oil	Hydro	Nuclear	Total	
1951	1,098	163	575	—	1,835	17.78
1956	1,596	228	1,061	—	2,886	26.40
1960-61	2,436	300	1,917	—	4,653	38.15
:						
1965-66	4,417	486	4,126	—	9,027	61.33
1969-70	7,360	234	6,128	400	14,122	91.00

TABLE IX

PRODUCTION OF SELECTED INDUSTRIES

	Unit	1950-51	1955-56	1960-61	1965-66	1966-67	1967-68	1968-69	1969-70	10
1	'2	3	4	5	6	7	8	9	10	
I. MINING :										
1.	Coal (including lignite)	Million tonnes	32.8	39.0	55.5	70.3	72.0	75.3	79.6	
2.	Iron ore*	Million tonnes	3.0	4.3	11.0	18.1	19.3	21.2	21.7	
II. METALLURGICAL INDUSTRIES :										
3.	Pig Iron	Million tonnes	1.69	1.95	4.31	7.09	7.01	6.89	7.17	7.39
4.	Steel ingots	Million tonnes	1.47	1.73	3.42	6.53	6.61	6.32	6.50	6.43
5.	Finished steel	Million tonnes	1.04	1.30	2.39	4.51	4.43	4.05	4.70	4.94
6.	Steel castings	'000 tonnes	—	15	34	57	53	51	48	46
7.	Aluminium (virgin metal)	'000 tonnes	4.0	7.4	18.3	62.1	72.9	100.4	125.3	135.1
8.	Copper (virgin metal)	'000 tonnes	7.1	7.6	8.5	9.4	9.1	9.3	9.4	9.8
III. MECHANICAL ENGINEERING INDUSTRIES :										
9.	Machine tools	Million rupees	3	8	70	294	354	285	254	300
10.	Automobiles (total)	'000 numbers	16.5	25.3	55.0	70.7	75.2	69.5	79.5	79.8
(i)	Commercial vehicles	'000 numbers	8.6	9.9	28.4	35.3	35.6	30.8	35.9	35.5
(ii)	Passenger cars, etc.	'000 numbers	7.9	15.4	26.6	35.4	39.6	38.7	43.6	44.3
11.	Motor cycles and scooters	'000 numbers	—	0.9**	19.4	40.7	47.8	56.9	70.8	91.0
12.	Power driven pumps	'000 numbers	35	37	109	244	311	288	317	333

TABLE IX—(Contd.)

	Unit	1950-51	1955-56	1965-61	1966-66	1966-67	1967-68	1968-69	1969-70
1	2	3	4	5	6	7	8	9	10
13. Bicycles	'000 numbers	99	513	1071	1574	1719	1684	1954	1914
IV. ELECTRICAL ENGINEERING INDUSTRIES :									
14. Power transformers	'000 k.v.a.	179	625	1413	4458	4949	5329	4729	5375
15. Electric motors	'000 h.p.	99	272	728	1753	2095	2028	1861	2296
V. CHEMICAL AND ALLIED INDUSTRIES :									
16. Nitrogenous fertilizers (N)	'000 tonnes	9	80	101	232	308	367	545	716
17. Phosphatic fertilizers (P_2O_5)	'000 tonnes	9	12	53	123	145	191	210	222
18. Sulphuric acid	'000 tonnes	101	167	368	662	702	858	1034	1129
19. Soda ash	'000 tonnes	45	82	152	331	348	371	408	427
20. Caustic soda	'000 tonnes	12	36	101	218	233	278	313	361
21. Cement	Million tonnes	2.7	4.7	8.0	10.8	11.1	11.5	12.2	13.8
22. Refractories	'000 tonnes	237	293	567	695	730	749	629	622
23. Refined petroleum products	Million tonnes	0.2	3.4	5.8	9.4	11.9	13.8	15.4	16.6
VI. TEXTILE INDUSTRIES :									
24. Jute textiles	'000 tonnes	837	1071	1097	1302	1117	1156	998	944
25. Cotton Yarn	Million kgs.	534	744	801	907	902	926	972	961
26. Cotton cloth (total)	Million m.	4215	6260	6738	7440	7301	7511	7902	7753
(i) Mill sector	Million m.	3401	4665	4649	4401	4202	4258	4297	4192
(ii) Decentralised sector	Million m.	814	1595	2089	3039	3101	3253	3605	3561

* Excludes output in Goa.
** Relates to calendar year.

TABLE X
INFLOW OF FOREIGN INVESTMENTS INTO THE PRIVATE SECTOR

	(Rupees million)			
	1956-60 (Annual average)	1964-65*	1965-66	1966-67
A. Private Sources				
(net inflow)	218	818	442	1,046
1. Gross inflow	349	1,019	717	1,440
(i) Retained earnings	133	204	188	149
(ii) Cash inflow	46	613	396	1,168
(iii) Non-cash inflow	170	202	133	123
2. Outflow	131	201	275	394
B. Official Sources				
(net inflow)	159	226	296	561
(i) Gross inflow	178	393	472	881
(ii) Outflow	19	167	176	320
C. Total gross inflow into the private sector	528	1,412	1,189	2,321
D. Total outflow	150	368	451	714
E. Total net inflow into the private sector	378	1,044	738	1,607

*Revised

TABLE XI
PROGRESS OF SHIPPING ('000 GRT)

Types of Vessels	As on December 31		
	1951	1961	1969
Coastal and adjacent	217	362	305
Overseas	174	539	1948
Total	<u>391</u>	<u>901</u>	<u>2253</u>

TABLE XII
ROADWAYS AND VEHICLES

	As on March 31		
	1951	1961	1968
Surfaced roads ('000 Kms)	157	231	316
Unsurfaced roads ('000 Kms)	243	448	609
Motor Vehicles on roads ('000 nos)	306	664	1333

TABLE XIII
STUDENTS ON ROLL AT THE SCHOOL STAGE

	Total (in millions)	P.C. of the total no. in the age group
A. Classes I-V		
<i>Facilities for age group 6 to 10</i>		
1950-51	19.15	42.6
1960-61	34.99	62.4
1969-70*	58.13	78.9
B. Classes VI-VIII		
<i>Facilities for age group 11 to 13</i>		
1950-51	3.12	12.7
1960-61	6.70	22.5
1969-70*	13.36	34.0
C. Classes IX-XI		
<i>Facilities for age group 14 to 17</i>		
1950-51	1.22	5.3
1960-61	2.89	11.3
1969-70*	6.93	19.8
*Provisional		

TABLE XIV
HEALTH SERVICES

	1950-51	1965-66	1969-70
Hospitals & dispensaries ('000)	9.2	13.8	15.8*
Hospital beds ('000)	113	240	261
Registered doctors ('000)	56	86	110
Registered nurses ('000)	15	45.3	66.0
Medical colleges (Nos.)	29	87	94
Annual admissions in Medical colleges ('000)	2.5	10.6	11.8

* Relates to 1968-69.

TABLE XV
PLANNING IN INDIA
Outlay and Investments

	First Plan (1951-56)	Second Plan (1956-61)	Total (1951-61)	Third Plan (1961-66)	Rupees million Fourth Plan (target) (1969-74)
Public Sector Outlay	19,600	46,720	66,320	85,772	159,020
Public Sector Investment	15,600	37,310	52,910	63,000*	136,550
Private Sector Investment**	18,000	31,000	49,000	41,000*	89,800
Total Investment	33,600	68,310	101,910	104,000*	226,350
<i>Investment : Percentage Distribution</i>					
Public Sector	46.4	54.6	51.9	60.6	60.3
Private Sector	53.6	45.4	48.1	39.4	39.7
Total	100.0	100.0	100.0	100.0	100.0

* Third Plan targets.

** Excludes transfer from Public to Private sector.

TABLE XVI
PER CAPITA AVAILABILITY OF CERTAIN IMPORTANT ARTICLES OF CONSUMPTION

Year	Edible Oil @ (Kgs.)	Vanaspati (Kgs.)	Sugar (Nov-Oct) (Kgs.)	Cotton cloth @@ (Metres)	Man-made fibre fabrics @@ (Metres)	Tea Grams	Coffee (Grams)	Electricity (KWH) (Domestic use)
1	2	3	4	5	6	7	8	9
1950-51	2.7	N.A.	3.0	11.0**	...	N.A.	51	1.6**
1955-56	2.5	0.7	5.0	14.4	...	257	68	2.2††
1960-61	3.2	0.8	4.9	13.8	1.2	293	82	3.5
1965-66	2.7	0.8	5.7	14.6	1.7	384	71	4.8
1966-67	2.6	0.7	5.2	13.8	1.6	369	86	5.3
1967-68	3.4	0.8	4.3*	13.4	1.7	354	53	5.7
1968-69†	2.6	0.9	4.9	14.1	1.9	355	75	6.1
1969-70†	6.1	13.5	1.8	361	59	6.5

@ Include groundnut oil, rape seed and mustard oil, cocoanut oil but excludes oil used for manufacture of vanaspati. (In the absence of production figure of cocoanuts for the year 1968-69, the figure for 1967-68 is repeated while working out availability of cocoanut oil for 1968-69).

@@ Relate to Calendar years ; figures for 1955 are shown against 1955-56 and so on.
** Relates to 1951.

* Provisional.

† From 1967-68 the sugar season is October-September.
†† Relates to 1955.

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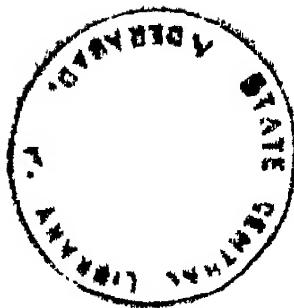
GLOSSARY AND ABBREVIATIONS

Alaap-jor-jhala	In the traditional Indian melodic system the alaap is the opening presentation of the basic notes, jor is the second and jhala the ultimate phase in which the notes are combined
Bhai Bhai	Brothers
Bol	Rhythmic sounds underlying the rhythm of the dance
Crore	Ten millions
Gram Panchayat	Village Council
Gurus	Teachers
Harijan	A person who belongs to one of the backward or untouchable castes of India
Jawans	Soldiers of the Indian Army
Jalsaghar	The room where musical performances are held
Jugalbandi	Duet
Kathakali	A traditional dance form of Kerala State in India
Kheyal	The lyrical presentation of the primary melodic structures in traditional Indian music
Lakh	A hundred thousand
Lok Sabha	One of the two houses of Indian Parliament broadly corresponding to the House of Commons of the British Parliament
Mudras	Gestures of the hands made during dancing in traditional Indian dancing
Mukti Fouz	Liberation Army. These terms were particularly used to describe the guerillas and commandos in Bangladesh
Mukti Bahini	
Panch Sheel	The five principles. The term was used to describe the principles of non-alignment and non-interference in the internal affairs of one another which were embodied in various treaties entered into by India
Panchayati Raj	A term used to describe rural self-governing institutions
Raagas	The basic melodic structure in classical Indian music

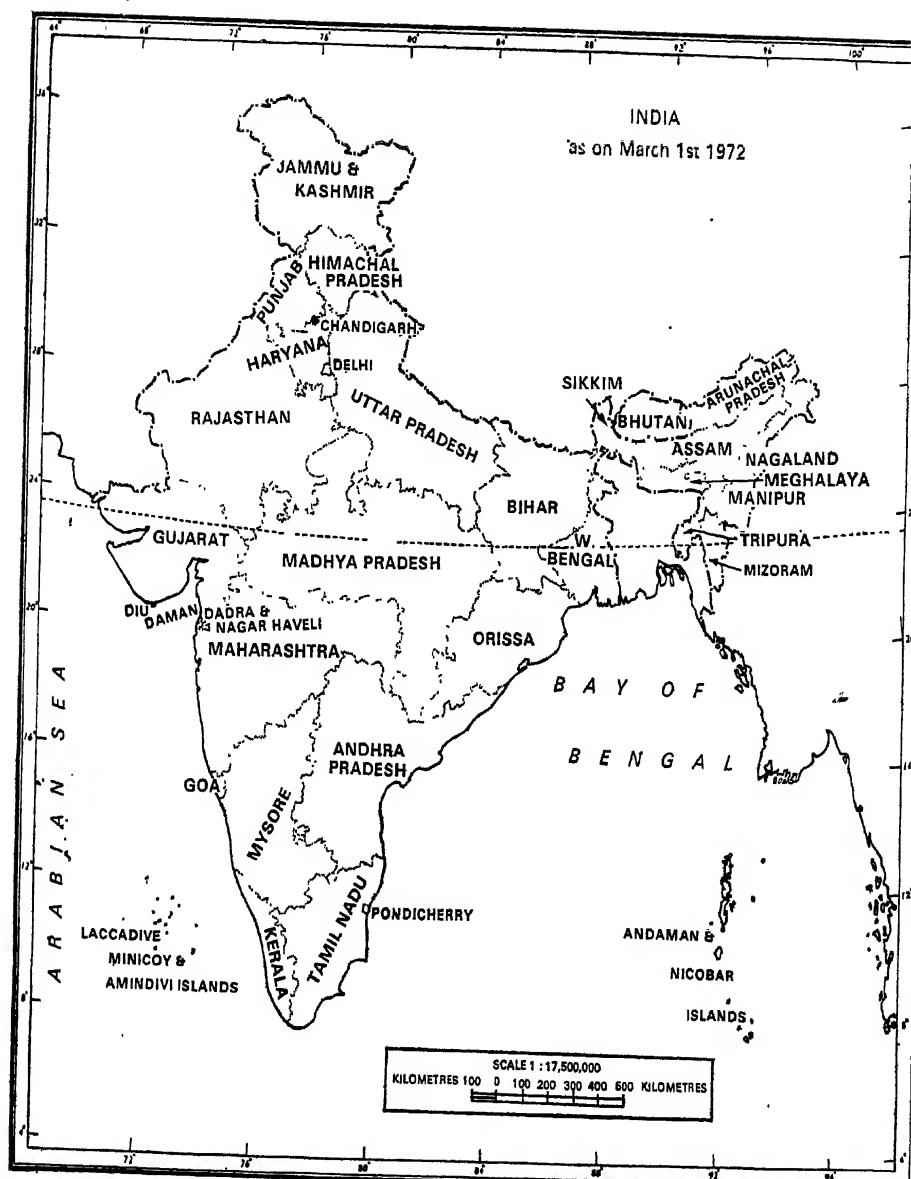
Rajya Sabha	The upper house of the Indian Parliament having representatives from States and certain other special interests
Ranashahi	The rule of the Ranas in Nepal
Satyagraha	The power of truth, generally used to describe various forms of non-violent actions initiated by Mahatma Gandhi
Thumri ang	A lighter variation of classical melody
Vidhan Sabha	State Legislative Assemblies

AICC	All India Congress Committee
AITUC	All India Trade Union Congress
CITU	Centre of Indian Trade Unions
Cong. (R)	The ruling Congress party
Cong. (O)	The organisation or opposition Congress party
CPI	Communist Party of India
CPI (M)	Communist Party of India (Marxist)
DMK	Dravida Munnetra Kazhagam, the party which has been in power in Tamil Nadu (formerly Madras) since 1967
HMS	Hind Mazdoor Sabha
INTUC	Indian National Trade Union Congress
PSP	Praja Socialist Party
SP	Socialist Party
SSP	Samyukta Socialist Party
UNCTAD	United Nations Conference on Trade and Development
UTUC	United Trade Union Congress





3.3.92



Manipur, Meghalaya and Tripura have attained full-fledged Statehood from 21/1/72

NEFA has been renamed Arunachal Pradesh and made a Union Territory from 21/1/72

Mizo Hills District of Assam has been made a Union Territory named Mizoram from 21/1/72

Bhutan and Sikkim are states in special treaty relations with India